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Montana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 1993

MONTANA STATE UNIVERSITY
1893•CENTENNIAL•1993

The University of Montana

The University of Montana
Western
Montana College

MONTANA
De Re Metallica
COLLEGE OF MINERAL SCIENCE & TECHNOLOGY

NORTHERN MONTANA COLLEGE

EASTERN MONTANA COLLEGE

Fiscal year 1993 marked the 100th year since the creation of the first colleges and universities in Montana. The logos for each of the six campuses are displayed on the cover in order of their establishment. The following information is a brief discussion on each.

Montana State University - located in Bozeman. MSU was founded on February 15, 1893, as the Agricultural College of the state of Montana. It later was named Montana State College and on July 1, 1965 became Montana State University. MSU is a comprehensive institution carrying out programs of research and public service and offering instruction in the sciences, literature, and arts, including military science, as well as professional programs in agriculture, engineering, and other fields.

University of Montana - located in Missoula. UM was founded on February 15, 1893. The university is a comprehensive undergraduate, graduate, research and public service institution with schools of journalism, pharmacy and allied health sciences, and law.

Western Montana College of the University of Montana - located in Dillon. Western was founded in 1893 as the State Normal School. In July 1988, the college became a four-year branch campus of the University of Montana. Its primary purpose is to instruct and train teachers for the public schools of Montana.

College of Mineral Science and Technology (Montana Tech) - located in Butte. Montana Tech was officially opened on September 11, 1900 as the Montana State School of Mines. In 1965 the name was changed to reflect the broadening scope of its curriculum. The school's purpose is to instruct and educate in the areas of chemistry, metallurgy, mineralogy, geology, mining, milling, engineering, mathematics, mechanics and drawing, and the laws of the United States and Montana relating to mining.

Northern Montana College - located in Havre. Northern was established in February 1927 as the Assinniboine School. There had been attempts to establish a school there as early as 1913. It opened in 1929 as the Northern Montana School but by 1933 had changed School to College to finalize its name change. Northern is a regional, multi-purpose institution providing programs in middle technology (i.e. vocational education and industrial technology), the liberal arts and sciences, business, nursing, and teacher education.

Eastern Montana College - located in Billings. Eastern was also established in February 1927 and was initially called Eastern Montana Normal School at Billings. In 1949 its name was changed to Eastern Montana College of Education and in 1965 was changed to its current name. The college offers academic programs in education, liberal arts, sciences, business, economics, and human services. Graduate programs through the master's level are offered in teacher training, special education and rehabilitation, and personnel and guidance.

MONTANA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
for the fiscal year ended June 30, 1993

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SELECTED STATE OFFICIALS

EXECUTIVE

Marc Racicot

Governor

Dennis Rehberg

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JUDICIAL

J. A. Turnage

Chief Justice

LEGISLATIVE

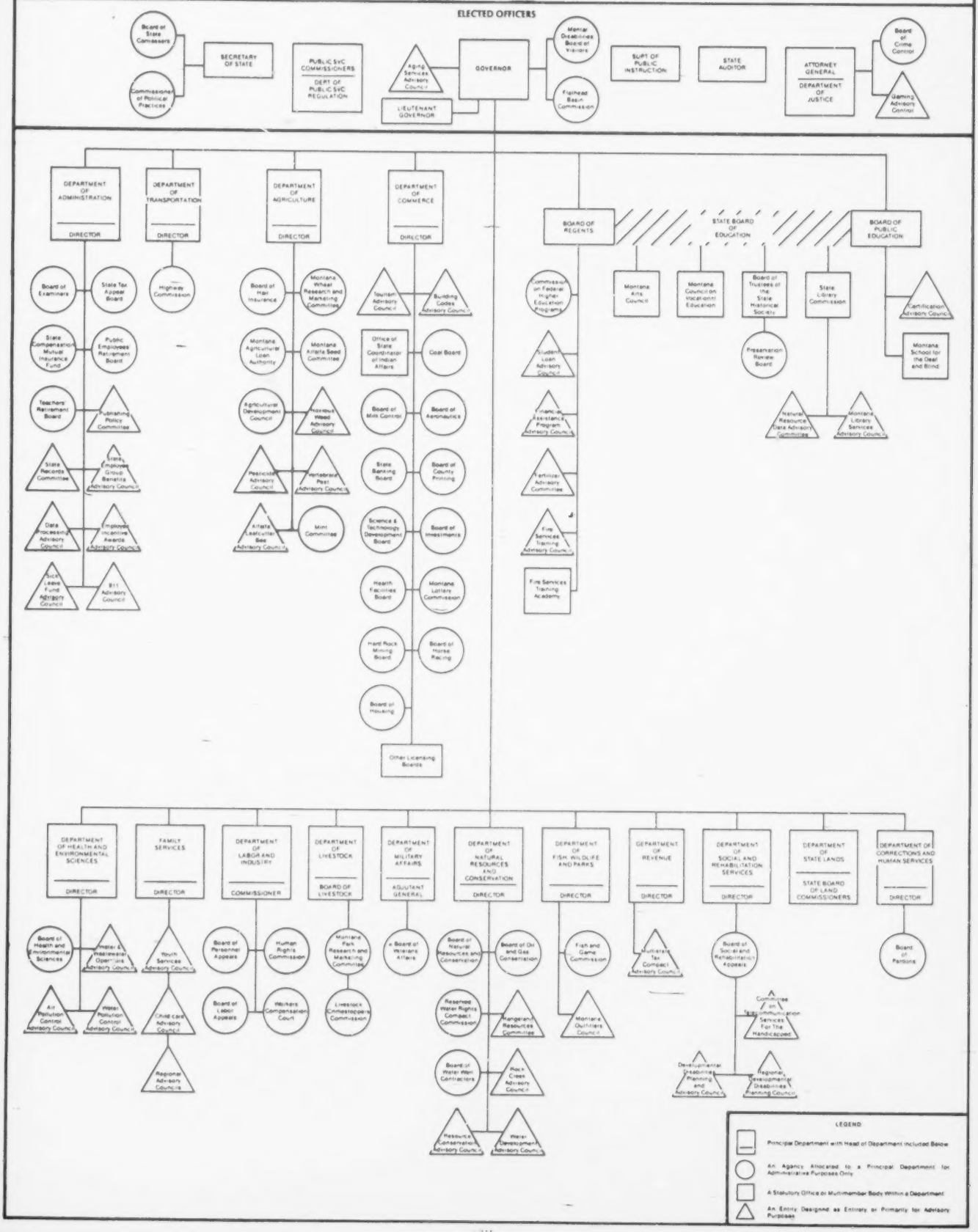
Fred Van Valkenburg

President of the Senate

John Mercer

Speaker of the House

STATE OF MONTANA
ORGANIZATION OF THE EXECUTIVE BRANCH
JUNE 30, 1992



STATE OF MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1993

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November 5, 1993

To the Citizens, Governor and Members of the Legislature of the State of Montana:

In accordance with Section 17-2-110, Montana Code Annotated, the Comprehensive Annual Financial Report (CAFR) of the State of Montana for the fiscal year ended June 30, 1993, is hereby submitted. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation rests with the Department of Administration. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State of Montana. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

Description of the CAFR

This report and the accompanying financial statements and statistical tables were prepared in accordance with standards set forth by the Governmental Accounting Standards Board (GASB).

This CAFR is divided into three main sections: introductory, financial and statistical. The introductory section includes an organization chart for the State, a table of contents and this transmittal letter. The financial section contains the independent auditor's report, the general purpose financial statements, notes to the financial statements, and combining statements by fund type and other schedules. The statistical section includes financial, economic and demographic data.

This report includes all funds and account groups of those entities considered component units of the State. Criteria considered in evaluating whether an entity is a component unit of the State include the following: 1) the exercise of oversight responsibility by the State's executive, legislative and judicial branches; 2) the scope of public service provided and 3) the existence of special financing relationships with the State. Entities meeting these criteria include legislative, executive, and judicial branch agencies; offices of state elected officials; state-owned universities, colleges and vocational-technical centers; boards and commissions appointed by one of the three branches of government and the Montana Board of Housing, Health Facility Authority and Beginning Farm Loan Program. The following organizations do not meet the component unit criteria, and consequently are excluded from this report: community colleges, the Montana Higher Education Student Assistance Corporation and private foundations supporting public education.

Economic Condition and Outlook

Montana is the fourth largest state in terms of land mass in the United States. The state shares an international boundary with Canada, and borders with North Dakota, South Dakota, Wyoming and Idaho. The 1992 population of the state is estimated to be 824,000, an increase of 25,000 or 3.13% from 1990. This increase represents a reversal in the general decline in population which occurred during the last half of the 1980's.

Agriculture continues to be the chief source of income in Montana. Other natural resource industries including wood and wood product manufacturing, particularly in western Montana, and mineral and oil/gas exploration, extraction and processing, statewide, also are important economic factors. Service sector industries, particularly related to health care, recreation and tourism and government are a growing source of income in Montana. Small businesses are very important to Montana's economy. Approximately 35 percent of private non-farm wage and salary jobs are in firms employing fewer than 20 people; 70 percent of jobs are with businesses employing fewer than 100 people.

During the 1980's Montana experienced periods of economic decline followed by slow growth. Major factors contributing to the declines included: one-time plant closures and pullout of the Anaconda Company; effects of a national recession; several consecutive years of generally dry weather conditions in the State; and the decline in oil prices. All of these factors adversely affected Montana's resource-oriented economy.

Since early 1988, Montana has experienced sporadic economic growth. This growth is primarily due to expansion in the nonfuels mineral mining and health care industries. According to Paul E. Polzin, Director of the University of Montana Bureau of Business and Economic Research, U.S. nonfarm labor income was stable during 1990. During the recession year 1991, Montana's economy grew approximately 2.2 percent, compared with a 1.0 percent decline nationwide. This analysis is based upon changes in non-farm labor income. According to Polzin, Montana was

impacted by the recession less than other states because of its dependence on industries such as agriculture, which are not usually affected by the national business cycle.

Based on statistics from the Montana Department of Labor and Industry, Montana's nonfarm labor income increased 4.4 percent from 1991 to 1992. Approximately 13,400 non-agricultural jobs were added to the state's economy in 1992. Job growth continued into the first four months of 1993.

Montana has held a national leadership position in per-capita income growth since 1989 when the State registered a 9.4 percent increase over the previous year compared to a U.S. average of 6.6 percent. In 1991-1992, the State's annual per-capita income growth rate of 6.8 percent was number one in the nation. The State's total personal income also increased in 1991-1992 by 8.1 percent over the previous year compared to a U.S. increase of only 3.5 percent. Preliminary figures indicate Montana's personal income increased only 5.8 percent in 1992; per capita income increased only 3.9 percent to $16,264 in 1992. Polzin anticipates personal income will increase about 3 percent in 1993 and then decelerate to slightly more than 1 percent in 1994 and 1995 due to slower growth in transfer payments and dividends, interest and rents. He also expects the number of nonfarm wage and salary jobs to increase about 4,000 to 6,000 per year between 1992 and 1995.

Following four years of steady job gain, construction activity increased sharply in late 1991 and continued at high levels through 1992. Increases were concentrated in rural and urban areas of western Montana and in Billings and boosted employment and income in the construction sector by 10.5% in 1991 and 16.5% in 1992. Rising housing construction nationwide increased activity in Montana's wood products industry in 1992 and into the first quarter of 1993.

The largest components of Montana's job market are in the wholesale/retail trade and service industries which experienced increases in employment and income of 5.0 percent and 5.8 percent respectively from 1991 to 1992. The health care area reflects the most significant growth. Six of the ten largest employers in Montana are health care-related, a significant change from 1990 when no health-related employers were reported in the ten largest. The other area of significant growth is related to the tourism and recreation industry. Montana's spectacular scenery and recreational resources are attracting more visitors from outside the state each year. An estimated 6.4 million nonresidents visited the state in 1992, an increase of 8.2 percent over 1991. Nationwide, domestic travel increased an estimated 4 percent or about half the Montana rate. Estimates indicate nonresident expenditures totaled $900 million in 1992, up 8.7 percent over 1991. In addition, Montana's accommodations tax revenue rose an estimated 12 percent in 1992, another indication of growth in this sector of Montana's economy.

Polzin forecasts continued slow growth in Montana. In 1993 and 1994, U.S. growth will average 3 to 4 percent per year, while Montana will increase 1 to 2 percent. Timber production in Montana is expected to decline in coming years with heavily depleted timber stands on private industrial tracts and reduced timber sales on the national forests. Oil and gas exploration and drilling activity will continue at a slow pace due to the relatively low level of crude oil prices. Prices for metals such as gold, platinum and copper have declined in the last few years. As metal prices have gradually declined so has the value of nonfuel mineral production, falling by over 10 percent since 1989. Improvement is not expected in 1993.

Major Initiatives

For the Year. During 1991 and 1992, the state experienced lower than anticipated income tax collections. The revenue shortfalls were addressed in two special sessions of the legislature held in January and July of 1992. For fiscal year 1993, the Legislature focused on short-term revenue enhancement measures and management of the state government's fiscal crisis. During the year the following initiatives were implemented:

-Increased funding for medicaid and other benefit programs such as the child support enforcement program. The Department of Social and Rehabilitation Services implemented a management information system (SEARCHS) which provides on-line access for five regional offices and the central office to current information on the status of child support payments, the status of individual cases, case member demographics and other management information.

-Authorized legislation which imposed a 7 percent surtax on 26 taxes for a period of one year and a 2.3 percent surtax on personal income and corporation taxes for calendar 1992 and an additional 4.7 percent for calendar 1993. Surtax revenue from these sources generally was deposited into the general fund and School Equalization Account.

-Changed the method used to determine the individual income taxes due from nonresident and temporary resident taxpayers generating an estimated additional $3.2 million in revenue in fiscal 1993.

-Changed the schedule for distributing school foundation payments to school districts, increasing interest revenue earned by the state. The payment schedule changes included eliminating payment in July, paying 8 percent of the annual foundation payment per month from August through May, 50 percent of the annual guaranteed tax base (GTB) payment each in November and May and 20 percent of the annual foundation payment in June. A temporary provision called for delaying one-half the June 1993 payment by 15 days as a cash management measure. This provision was made permanent during the 1993 regular legislative session.

-Reduced payment levels for benefit payments to Aid to Families with Dependent Children (AFDC) and General Assistance (GA) recipients. These were offset by a change in the methodology used to count AFDC recipient income which allowed recipients with some income to receive a reduced assistance payment rather than losing AFDC eligibility. Imposed a change in the eligibility criteria for medical services for the State Medical program and limited the services available under the program. The legislature also extended from two weeks to four weeks the period of time a GA recipient must wait for the first monthly benefit payment and reduced the first two monthly benefit payments received by GA recipients entering the state.

-Required certain individual taxpayers to file quarterly estimated tax payments beginning in tax year 1993.

-Reduced fiscal 1993 general fund appropriations for state agencies by $5.8 million and the general fund appropriation for the Montana university system by $5.2 million. Also reduced state expenditures for fiscal 1993 school foundation and GTB payments by $5.6 million.

-Restored the Governor's ability to reduce budgets in times of revenue shortfall.

-Enacted several proposals which were designed to increase state agencies' flexibility in handling budget reductions.

For the Future: During the 1993 regular legislative session, the Legislature focused on revising the current tax structure looking at long-term revenue enhancements as well as reducing general government expenditures particularly in the areas of education and health and human services. The Legislature submitted a referendum containing a sales tax reform bill to the electorate and enacted an income and corporation tax revision (HB 671). The legislation provided coordinating language repealing HB 671 in tax year 1994 if voters approved the referendum. However, the electorate defeated the referendum on June 8, 1993. In addition, taxpayers mounted a successful petition campaign to suspend HB 671 until it is voted on by the electorate in November 1994, resulting in the Governor issuing a call for a special legislative session to convene in November 1993. The session will focus on budget reductions, address concerns of home and land owners regarding sudden increases in property values because of reappraisal, and propose authorization of refunds to federal retirees whose pensions were taxed by the state.

Other initiatives enacted during the regular legislative session include:

-Approved expenditure reductions in the general fund and school equalization account which result in appropriations for the 1995 biennium being less than what was expended in the 1993 biennium reversing an upward trend that has continued for the past 25 years.

-Raised gasoline and diesel fuel taxes by $.07 per gallon over the biennium and changed the method of collecting special fuel taxes. These additional taxes will be used to fund local government road programs and roads in state parks.

-Expanded pavement protection and maintenance programs for state highways and funded a portion of the Motor Vehicle Division costs from the combined highways account. These costs were previously funded from the general fund.

-Increased the existing payroll tax on employers from 0.28 to 0.50 percent and extended the payroll tax to employees, imposing a tax of 0.20 percent on gross wages. Imposed a 0.1 percent tax on the earnings of self-employed persons which will increase to 0.2 percent for tax years beginning after December 31, 1993. The payroll tax is used to fund the payment of claims liabilities of the workers' compensation program for injuries occurring before July 1, 1990, to workers who were covered under the state program.

-Enacted a major reform package designed to control costs in that portion of the workers' compensation program responsible for injuries of insured workers occurring after June 30, 1990. Reforms include additional resources for fraud investigation and prosecution, providing funding for safety consultation services, enacting laws to attain better medical cost containment and better claims management, and providing funding for a workers' compensation data base system to provide better information.

-Eliminated state support for general assistance and state medical programs and enacted a number of cost containment measures in medicaid and welfare programs.

-Eliminated nursing and acute care services at Galen State Hospital, downsized the men's and women's prisons and increased emphasis on community correction programs.

-Adopted a new school equalization system which establishes basic and per-ANB entitlement for each school district, establishes minimum and maximum budget range limits for districts, expands GTB support for eligible districts, and continues the schedule for distributing foundation payments implemented in fiscal 1993. The new system is expected to generate significant savings in the 1995 biennium.

-Enacted a retirement incentive program for employees who terminate during the period June 25 through December 31, 1993. The program is expected to generate general fund savings by eliminating some vacated positions or filling them at a lower salary.

-Enacted legislation to pay fees for depository banking services in hard dollars and to allow the state treasurer to deposit state funds in out-of-state banking institutions which provide certain needed services not provided by in-state banking institutions.

-Authorized the investment of coal severance tax trust fund monies for the following purposes: 1) to provide funding for the Montana Science and Technology Alliance to loan money for seed capital projects and research and development projects; 2) to loan up to $25 million for the development, engineering, procurement and construction of the Billings magnetohydrodynamics (MHD) demonstration project under the clean coal technology demonstration act; 3) to provide loans to the Department of Health and Environmental Sciences for technical, litigation and administrative expenses associated with the natural resource damage litigation suit against ARCO in the Clark Fork River Basin.

-Enacted new and increased fees to fund agency budgets and eliminated general fund appropriations to certain programs requiring them to rely on fee revenue.

-Provided for a 1.5 percent salary increase for state employees beginning in the second half of fiscal 1995 and a $20 a month increase in the state contribution for health insurance for the biennium.

Financial Information

Montana's Statewide Budgeting and Accounting System (SBAS) is a centrally maintained, fully computerized, double-entry accounting system. SBAS records are computer-edited.

Management of the State is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the State are protected from loss or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles.

In developing and evaluating the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that the above objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary restrictions are imposed via appropriations approved by the legislature or established administratively as provided for by state law. Appropriations are required by state law for the General, Special Revenue, Capital Projects, Enterprise and Internal Service Funds. The level of budgetary control is generally established by program and fund. SBAS is designed to provide budgetary control by preventing spending in excess of legislative and administrative authority and/or available cash. SBAS also provides for encumbrance accounting as a technique for accomplishing budgetary control.

General Governmental Functions

Revenue sources for general governmental functions, which include the General, Special Revenue, Debt Service, and Capital Projects Funds, increased 15.0 percent from fiscal year 1992 to fiscal year 1993. Revenues from various sources for fiscal year 1993, and the amount and percentage of increases and decreases in relation to prior year revenues, are shown in the following table:

Revenue Source	Amount (in thousands)	1993 Percent of Total	Increase (Decrease) from 1992	Percent Increase (Decreased)
Licenses/Permits	$ 92,773	5.0%	$ 10,029	12.1%
Taxes	1,003,849	53.7	152,933	18.0
Charges for Services/Fines/Forfeits	53,775	2.9	1,248	2.4
Investment Earnings	20,715	1.1	(4,076)	(16.4)
Sale of Documents/Etc.	17,055	0.9	(1,036)	(5.7)
Rentals/Leases/Royalties	451	-	54	13.6
Contributions/Premiums	3,466	0.2	111	3.3
Grants/Contracts/Donations	3,682	0.2	71	2.0
Federal	667,468	35.7	82,421	14.1
Federal Indirect Cost Recoveries	1,817	0.1	79	4.6
Other Revenues	4,503	0.2	1,711	61.3
Total Revenues	$1,869,554	100.0	$243,545	

An explanation of significant changes by revenue source follows:

Licenses/Permits - The increase in revenue was primarily due to 1) the 7 percent surtax being applied to GVW fee revenue during the year; 2) a $2.4 million increase in wildlife hunting licenses and permits; and 3) a $1.5 million increase in nursing facilities fee revenue.

Taxes - The increase in revenues was primarily due to the assessment of a 7 percent surtax on approximately 26 taxes for one year and a 2.3 percent surtax on personal income and corporation taxes for calendar 1992 with an additional 4.7 percent increase in calendar 1993. In addition, certain individual tax payers were required to file quarterly estimated tax payments beginning in 1993. Individual income tax collections increased by $77.4 million; corporation tax collections increased by $27.4 million. Property tax increased $61.3 million primarily due to 100 percent of the tax being remitted directly to the state rather than 55 mills being retained by the counties and only the surplus being paid to the state at year end. These specific increases along with increases in other tax revenue due to the imposition of the surtax were offset by reductions of $15.9 million in coal production taxes due to decreased demand for coal and $10.2 million in oil production taxes due to lower oil prices.

Charges for Services/Fines/Forfeits - The increase in revenue was primarily due to 1) a $1.0 million increase in county reimbursements for general assistance and foster care and 2) a $0.2 million increase in reimbursements from companies involved in Superfund cleanup projects.

Investment Earnings - The decrease in revenue was primarily due to a change in the average yield on the Treasury cash account from 7.02 percent in fiscal year 1992 to 4.55 percent in fiscal year 1993.

Federal - The increased revenue was primarily due to the receipt of additional federal funding for the public welfare programs administered by the Department of Social and Rehabilitation Services. Other significant increases in federal revenue include a $13.1 million increase in highway construction funding which resulted from an 8 percent increase in federal participation in construction projects.

Total expenditures for all general governmental functions increased 6.9 percent from fiscal year 1992 to fiscal year 1993. Expenditures by function for fiscal year 1993, and the amount and percentage of increases or decreases in relation to the prior year amounts, are shown in the following table:

Expenditure Function	Amount (in thousands)	1993 Percent of Total	Increase (Decrease) from 1992	Percent Increase (Decreased)
General Government	$ 117,691	6.4%	$ 577	0.5%
Public Safety/Corrections	105,870	5.7	5,006	5.0
Transportation	285,056	15.5	(2,712)	(0.9)
Health/Social Services	620,915	33.7	81,862	15.2
Education/Cultural	487,657	26.4	42,477	9.5
Resource Development/Recreation	70,847	3.8	(944)	(1.3)
Economic Development/Assistance	86,504	4.7	6,506	8.1
Debt Service	46,446	2.5	(10,940)	(19.1)
Capital Outlay	23,455	1.3	(2,480)	(9.6)
Total Expenditures	$1,844,441	100.0	$119,352	

An explanation of significant changes by expenditure function follows:

General Government - Expenditure increases were primarily due to 1) a $3.7 million increase to fund the biennial session of the Legislature during the second half of fiscal year 1993; 2) an increase in corporate license tax revenues from financial institutions resulting in a $3.0 million increase in distributions to local governments; 3) a $.5 million increase in coal gross proceeds tax redistributions to counties; and 4) a $.4 million increase to fund the special sales tax election. These increases were offset by a $7.1 million decrease in oil and gas local government severance tax revenues which are distributed 100 percent to local counties.

Public Safety/Corrections - Expenditure increases were primarily due to 1) a $1.2 million increase in legal services costs incurred by the Department of Justice; 2) a $2.5 million increase in personnel costs for the correction system and juvenile correction programs; 3) a $0.6 million increase in personnel and operating costs of the Highway Patrol; and 4) a $0.5 million increase in grants by the Crime Control Division.

Transportation - Expenditure decreases were primarily due to reductions in the highway construction program as a result of weather-related delays and the need to issue environmental impact statements for new construction. The reduction in new highway construction was offset by an increase in expenditures for projects to maintain the State's primary highway system.

Health/Social Services - Expenditure increases were primarily due to the expansion of public welfare programs administered by the Department of Social and Rehabilitation Services particularly medicaid, family assistance and the child support enforcement program. The cost increases were funded primarily through federal assistance.

Education - Expenditure increases were due to higher school enrollments and payments to the school districts being made directly from the school foundation program rather than through the counties.

Resource Development/Recreation - Expenditure decreases were primarily due to a $3.3 million decrease in fire suppression costs for the Department of State Lands due to a moderate fire season offset by a $2.9 million increase in grants by the Department of Natural Resources and Conservation in its Conservation and Resource Development program.

Economic Development - Expenditure increases were primarily due to 1) a $2.8 million increase in Forest Reserve Shared Revenue which is distributed 100 percent to the counties; 2) a $1.7 million increase in amount distributed by the Department of Commerce to local governments under the Community Development Block Grant Program; 3) a $0.7 million increase to fund the Montana Science and Technology Alliance; 4) a $0.6 million increase in insurance premium tax collections distributed to the Municipal Police Officers' and Firefighters' Unified Retirement systems; and 5) a $0.4 million increase in the amount distributed by the Department of Commerce to local government economic development programs.

Debt Service - Expenditure decreases were primarily due to the issuance of a number of advance refunding bonds which eliminated or reduced debt service payments.

Capital Outlay - Expenditures decreased primarily because several projects have been delayed or postponed.

General Fund Balance

The unreserved fund balance of the General Fund increased from $24.486 million at June 30, 1992, to $41.471 million at June 30, 1993. This represents an increase of $16.985 million, or 69 percent. This increase resulted from revenues exceeding expenditures primarily due to the short-term revenue enhancements enacted during the January and July 1992 special legislative session and corresponding budget reductions.

Enterprise Operations

The State of Montana provides numerous goods and services to the public on a user charge basis, similar to a private business. Profits from two of these operations, the State Liquor Stores and the State Lottery, are used to fund other services provided by the State. Following is a summary of the operating results of these two entities in fiscal year 1993:

State Liquor Stores - The State regulates the sale, importation, distribution and manufacturing of alcoholic beverages in Montana. A portion of the liquor sales and excise and license taxes collected through this function along with any profits generated through the administration of this regulatory function, including those from the operation of State liquor stores, are transferred to the General Fund. In fiscal year 1993, $10.445 million was transferred to the General Fund, compared to $13.030 million in fiscal year 1992.

State Lottery - The Montana State Lottery was created by the electorate through the passage of Referendum 100 during the 1986 general election. Profits generated by this operation are transferred to the Office of Public Instruction (OPI) for distribution to local school districts and the Board of Crime Control (BCC) for grants to counties for youth detention services. Profits for fiscal year 1993 increased $3.4 million to $8.9 million with OPI receiving 90.9 percent and BCC 9.1 percent of the net revenue.

Pension Trust Fund Operations

The State contributes to eight retirement systems and is the administrator of one additional system. The two largest systems in terms of dollars contributed and employees covered are the Public Employees' Retirement System and the Teachers' Retirement System. Approximately 95 percent of the employees covered by these nine retirement systems are enrolled in either the Public Employees' Retirement System or the Teachers' Retirement System.

The current actuarial evaluations for these systems continue to reflect a stable funding trend. Net assets of the State's Pension Trust Funds on a market basis totaled $2.6 billion ($2.25 billion at cost) at June 30, 1993, which represents an 8 percent increase on a market basis (10 percent increase on a cost basis) from June 30, 1992. On a market basis, the overall funding ratio was at 78.9 percent, an increase of 0.5 percent from the June 30, 1992 level. During fiscal year 1993 the funding ratio increased by 1.1 percent to 68.1 percent on a cost basis.

Debt Administration

Montana receives excellent bond ratings from both Moody's Investors Service (Aa) and Standard & Poor's Corporation (AA-). State debt may be authorized either by a two-thirds vote of the members of each house of the Legislature or by a favorable vote of a majority of the State's electors voting thereon. There is no constitutional limit on the amount of debt that may be incurred by the State. The Montana Constitution does, however, prohibit the incurring of debt to cover deficits caused by appropriations exceeding anticipated revenue. General obligation debt decreased from $60.140 million at June 30, 1992, to $43.945 million at June 30, 1993.

The ratio of general obligation debt to assessed valuation and the amount of general obligation debt per capita are:

	Amount (in thousands)	Ratio of Debt to 1993 Assessed Value	State Debt Per Capita*
General Obligation Debt	$43,945	0.14%	$53.33

* Based on 1992 estimated Montana population.

Cash Management

The uniform investment program established by the 1972 Montana Constitution directs that the Board of Investments has sole authority to invest State funds. The Board operates under the "prudent person principle" which requires the Board to 1) discharge its duties in the same manner as that of a prudent person acting in a like capacity with the same resources and aims; 2) diversify the holdings of each fund to minimize the risk of loss and maximize the rate of return; and 3) discharge duties solely in the interest of and for the benefit of the funds managed. Permissible investments include bonds, notes, debentures, equipment obligations, common stock (pension trust and higher education funds only), commercial paper, bankers' acceptances, interest bearing deposits in Montana financial institutions, real estate and any other investment in a Montana business that continues existing jobs or creates new jobs. These investments are subject to statutory restrictions for quality and size of holdings. Approximately 81 percent of the State's investments are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board, and all but 6 percent of the cash deposits were insured by federal depository insurance or collateralized at June 30, 1993.

Unless otherwise provided by law, treasury cash is pooled for investment regardless of the fund from which it is deposited and the pool's investment earnings are credited to the General Fund. The Board reported total investment income from investments under its management of $316.6 million, an increase of 7.4 percent from the $294.8 million earned last year. The book value of Board-managed investments rose $492 million or 13.0 percent to $4.29 billion at fiscal year-end 1993. The Board publishes an annual audited report of all its investment activity. That report can be referenced for more in-depth investment information.

In order to provide cash to support expenditures from the general fund and school equalization fund, pending the receipt of taxes and revenues, the Board of Examiners, upon the recommendation of the Department of Administration, issued $88.9 million in Tax and Revenue Anticipation Notes in October 1993. These notes will be redeemed by the State in June 1994.

Risk Management

The State of Montana provides benefit coverage for injured state employees through participation in the State Compensation Insurance Fund (State Fund). The State Fund is a nonprofit, independent public corporation which is managed and controlled by a five-member board of directors. The board members are appointed by the Governor for four year terms. Funding is primarily derived from the premiums paid by policyholders.

The 1991 Legislature passed legislation authorizing the Board of Investments to issue up to $220 million in bonds to provide further funding for the State Fund - Old and to utilize the employer payroll tax to redeem the bonds issued. On July 15, 1991, $142.095 million in bonds were issued payable from and secured by the employer payroll tax revenues. This source of funding was exhausted in February 1993. The employer payroll tax, which will provide funding for bond payments, has been increased and extended to employees and the self-employed. During fiscal year 1993, the State Fund-New loaned the State Fund - Old $13.0 million to provide needed cash.

At June 30, 1993, liabilities for the State Fund - Old exceeded assets by $497.4 million. The actuarially determined liability for unpaid claims, including those which were incurred but not reported, decreased to $365.2 million undiscounted. This represents a decrease of $41.5 million in estimated claims liability from fiscal year 1992. The percentage of this liability belonging to the state as a participant is unknown. For the State Fund - New, liabilities exceeded assets by $37.63 million.

The State maintains self-insurance plans for employee comprehensive medical and dental coverage and State property. Under the Group Employee Comprehensive Medical and Dental Plan the State assumes all the risk for claims incurred by State employees, elected officials, retirees and their dependents. The following exceptions and limitations apply to the plan: 1) coverage is not provided to employees of the Montana University System; 2) organ transplants are reinsured with Blue Cross and Blue Shield of Montana; and 3) each plan member's medical benefits are limited to a lifetime maximum of $1 million. Premiums are collected through payroll deductions, deductions through the Public Employees' Retirement System and self-payment. For the period ending June 30, 1993, the plan reported retained earnings of $13.68 million.

The Montana University System Group Benefits Plan provides medical, dental, and vision insurance coverage to employees of the Montana University System and their dependents, retirees, and COBRA members. Beginning July 1, 1990, the plan is an "administrative services only" plan, whereby United of Omaha is the claims administrator and the University System assumes the full liability. The plan is reinsured at 125 percent of expected claims. For the

period ending June 30, 1993, the plan reported retained earnings of $3.32 million.

The State's property insurance plan provides coverage for general liability, automobile liability, automobile physical damage, retail liquor stores inventory and state-administered foreclosure housing units. The State self-insures the $150,000 deductible per occurrence for property insurance. The insurance carrier pays up to $1.2 billion for the University System and the Capitol Complex and $50 million for all other State property. The flood and earthquake liability limit is $100 million per occurrence with a $1.0 million deductable for earthquakes and a $0.5 million deductable for floods. Premiums for the plan are collected from all State agencies, including higher education units.

Based on the most recent actuarial report prepared by Tillinghast and issued for the period July 1, 1982 through June 30, 1993, a liability of $15,430,571 is recorded in the accompanying financial statements for estimated claims including those incurred but not reported.

Independent Audit

The financial statements contained in Montana's Comprehensive Annual Financial Report were audited in accordance with generally accepted auditing standards by the Office of the Legislative Auditor. The Legislative Auditor is appointed by and reports to the Legislative Audit Committee. The Deputy Legislative Auditor issued an unqualified opinion on the State's financial statements for fiscal year 1993.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Montana for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1992. This was the sixth consecutive year that the State received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to conform to the Certificate of Achievement Program requirements; we are submitting it to GFOA to determine its eligibility for another Certificate.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Accounting Bureau and the cooperation of accounting personnel at the individual State agencies. I would like to express my appreciation to Accounting Bureau and other agency personnel who participated in the preparation of this document. I would also like to thank the legislature and all State agencies for their interest and support in planning and conducting the financial operations of Montana in a professionally responsible and progressive manner.

Respectfully submitted,

Lois Menzies

Lois Menzies, Director
Department of Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1992

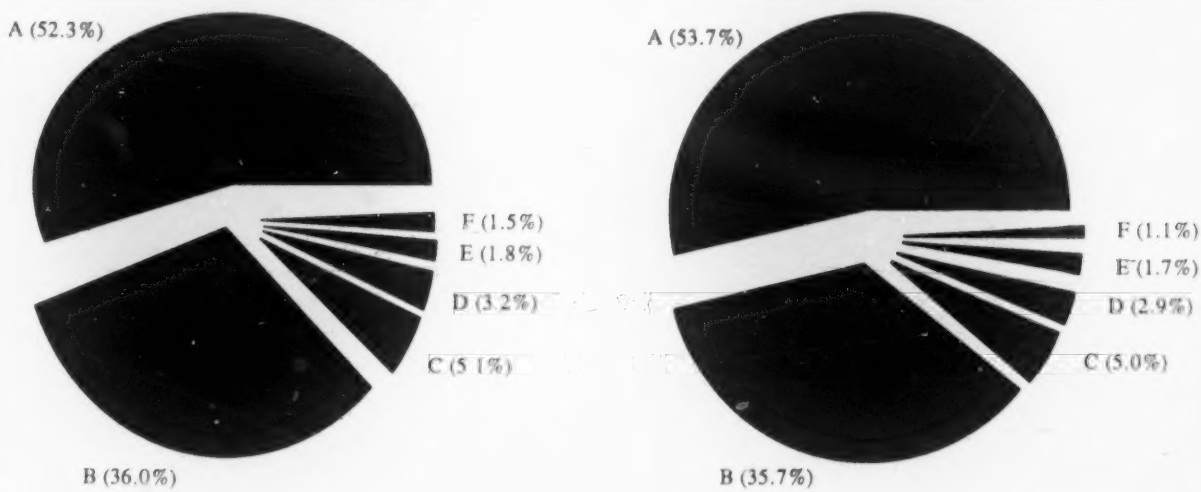
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

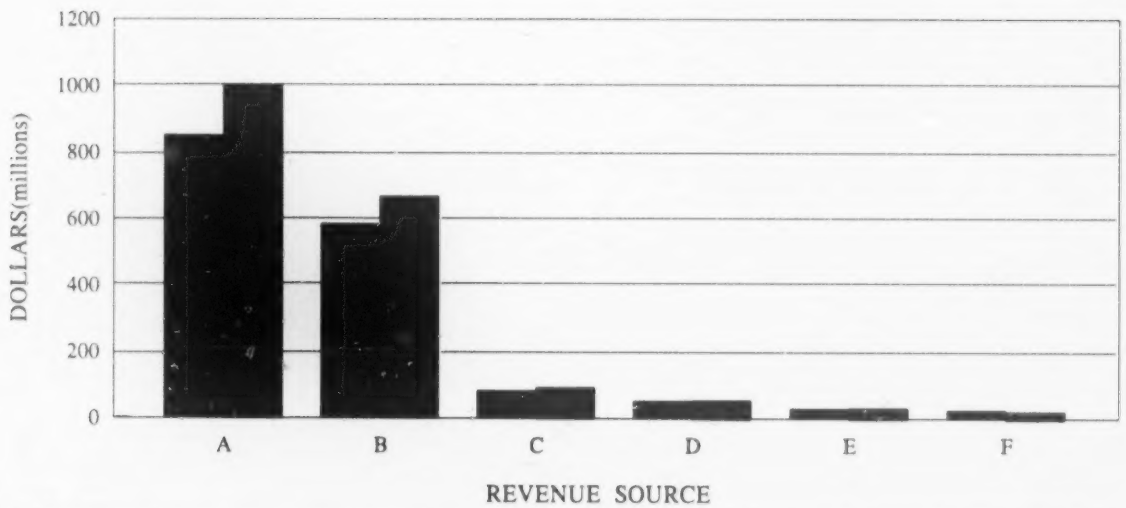
GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION S.E.A.L. CHICAGO

Arnold L. Hahn
President

Jeffrey L. Esser
Executive Director

STATE OF MONTANA
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES



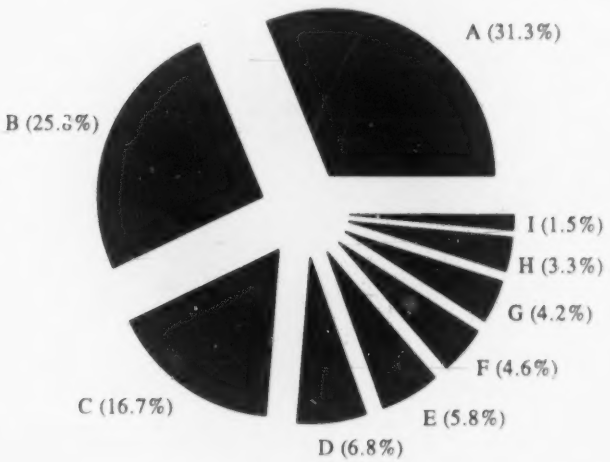


LEGEND: FY 92 FY 93

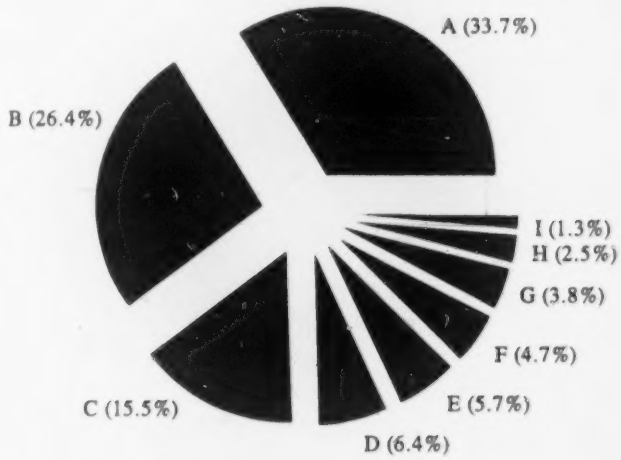
A. Taxes
B. Federal
C. Licenses/Permits
D. Charges for Services/Fines/Forfeits
E. Other Revenues (includes contributions, premiums, rentals, leases, royalties, grants, contracts, donations, federal indirect cost recoveries and sale of documents, merchandise and property)
F. Investment Earnings

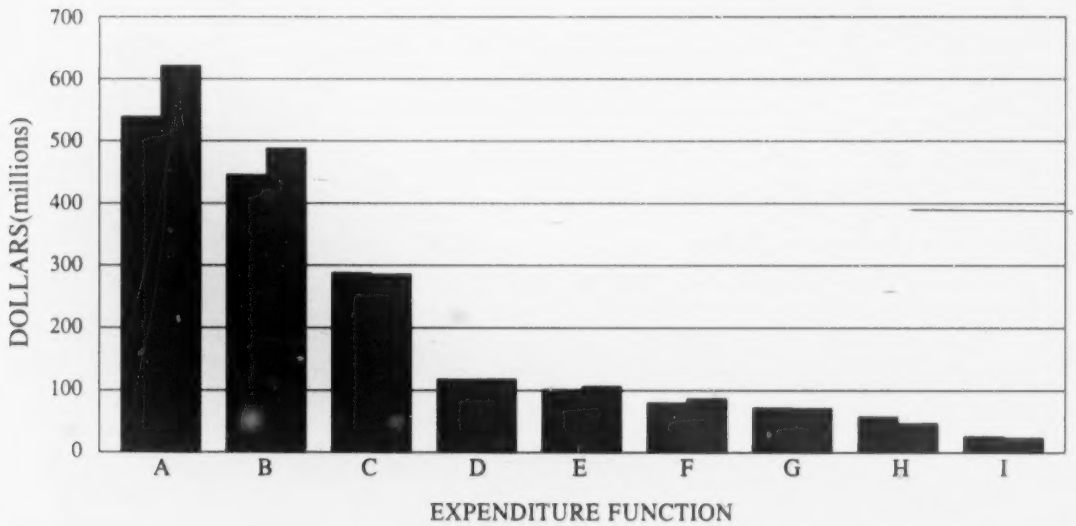
STATE OF MONTANA
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES

FY 92



FY 93





LEGEND: FY 92 FY 93

A. Health/Social Services	D. General Government	G. Resource Dev/Recreation
B. Education/Cultural	E. Public Safety/Corrections	H. Debt Service
C. Transportation	F. Economic Development/Assistance	I. Capital Outlay

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Montana

Montana Hall - MSU

GENERAL PURPOSE FINANCIAL STATEMENTS

The following financial statements present the financial position of all fund types and account groups and the operating results of all fund types.

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STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122

LEGISLATIVE AUDITOR:
SCOTT A. SEACAT

LEGAL COUNSEL:
JOHN W. NORTHEY

DEPUTY LEGISLATIVE AUDITORS:
MARY BRYSON
Operations and EDP Audit
JAMES GILLETT
Financial-Compliance Audit
JIM PELLEGRINI
Performance Audit

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the state of Montana, as of June 30, 1993, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the state of Montana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Montana Board of Housing which statements reflect total assets, liabilities, revenues, and expenses of 59.4 percent, 36.3 percent, 15.2 percent, and 16.4 percent, respectively, of the related Enterprise Fund. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montana Board of Housing is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the state of Montana, as of June 30, 1993, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group statements/schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the state of Montana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this report have not been audited by us, and accordingly, we express no opinion on such data.

Respectfully submitted,

James Gillett

James Gillett, CPA
Deputy Legislative Auditor

November 5, 1993

STATE OF MONTANA
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1993
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
ASSETS/OTHER DEBITS						
Assets:						
Cash/Cash Equivalents (Note 4)	$ 19,908	$ 227,963	$ 26,198	$ 7,483	$ 57,044	$ 30,285
Receivables (Net of Uncollectibles)	61,928	60,241	5,996	170	55,946	358
Interfund Loans Receivable (Note 13)	7,439	34,512	-	-	-	34
Due from Other Governments	39	107,101	-	-	-	4
Due from Other Funds (Note 13)	34,233	30,032	250	95	6,088	3,946
Inventories	2,340	18,945	-	-	10,101	1,906
Equity in Pooled Investments (Note 4)	-	-	-	-	-	-
Long-Term Loans/Notes Receivable	16	21,742	33,308	2	423,055	3
Advances to Other Funds (Note 13)	6,020	20	-	-	-	30
Investments (Note 4)	-	11,334	1,669	-	390,577	13,732
Deferred Losses	-	-	-	-	-	-
Land	-	-	-	-	800	236
Buildings/Improvements	-	-	-	-	4,238	17
Equipment	-	-	-	-	6,371	109,119
Other Fixed Assets	-	-	-	-	8	3
Construction in Progress	-	-	-	-	-	453
Accumulated Depreciation	-	-	-	-	(5,264)	(61,256)
Intangible Assets	-	-	-	-	101	288
Deferred Charges	-	-	-	-	12,013	28
Other Assets	675	2,675	45	4	13,815	240
Other Debits:						
Amount Available - Debt Service Funds	-	-	-	-	-	-
Amount to be Provided from Long-Term Loans	-	-	-	-	-	-
Resources to be Provided in Future Years	-	-	-	-	-	-
TOTAL ASSETS/OTHER DEBITS	$132,598	$ 514,565	$ 67,466	$ 7,754	$ 974,893	$ 99,426
LIABILITIES/EQUITY/OTHER CREDITS						
Liabilities:						
Accounts Payable	$ 48,174	$ 119,797	$ 2,999	$ 487	$ 11,894	$ 2,723
Lottery Prizes Payable	-	-	-	-	2,027	-
Interfund Loans Payable (Note 13)	-	41,010	-	857	-	315
Advances from Other Funds (Note 13)	-	5,901	-	-	140	30
Due to Other Governments	2,873	30,919	-	-	9	-
Due to Other Funds (Note 13)	14,367	40,693	2,687	9	8,746	1,608
Deferred Revenue	16,545	25,670	953	11	2,884	109
Deferred Gains	-	-	-	-	-	-
Installment Purch/Lease Payable (Note 11)	-	-	-	-	-	1,907
Bonds/Notes Payable (Net) (Note 12)	-	-	-	-	694,162	625
Property Held in Trust	243	1,306	-	-	22,459	72
Compensated Absences Payable (Note 1)	-	-	-	-	1,201	2,127
Estimated Claims (Notes 7/9)	-	-	-	-	663,350	24,624
Arbitrage Rebate Tax Payable	-	-	-	-	627	-
Other Liabilities	1	8	-	-	-	-
Total Liabilities	82,203	265,304	6,639	1,364	1,407,499	34,140
Equity/Other Credits:						
Investment in General Fixed/Plant Assets	-	-	-	-	-	-
Contributed Capital (Note 17)	-	-	-	-	15,179	5,850
Retained Earnings:						
Reserved (Note 15)	-	-	-	-	79,338	16,992
Unreserved	-	-	-	-	(527,123)	42,444
Fund Balances:						
Reserved for Encumbrances	549	23,084	-	-	-	-
Reserved for Inventories	2,339	18,945	-	-	-	-
Reserved for Advances to Other Funds (Note 13)	6,020	20	-	-	-	-
Reserved for Long-Term Loans	16	21,742	33,308	2	-	-
Reserved for Debt Service	-	-	27,519	-	-	-
Reserved for Trusts/Endowments (Note 15)	-	3,910	-	-	-	-
Reserved for Retirement Systems	-	-	-	-	-	-
Unreserved, undesignated	41,471	181,560	-	6,388	-	-
Total Equity/Other Credits	50,395	249,261	60,827	6,390	(432,606)	65,286
TOTAL LIABILITIES/EQUITY/OTHER CREDITS	$132,598	$ 514,565	$ 67,466	$ 7,754	$ 974,893	$ 99,426

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS - JUNE 30 (MEMORANDUM ONLY)	
TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	HIGHER EDUCATION FUNDS	1993	1992
$ 980,407	$ -	$ -	$ 59,547	$ 1,408,835	$ 1,097,025
79,300	-	-	33,630	297,569	263,607
220	-	-	1,200	43,405	110,164
64	-	-	2,360	109,568	91,505
30,661	-	-	10,722	116,027	119,114
-	-	-	3,921	37,213	36,348
531,995	-	-	332	532,327	483,459
60,023	-	-	-	538,149	568,299
-	-	-	-	6,070	690
2,413,616	-	-	14,717	2,845,645	2,695,263
1,889	-	-	-	1,889	6,000
49,459	56,057	-	11,269	117,821	114,253
355	233,422	-	291,818	529,850	518,232
268	91,438	-	104,002	311,198	291,903
-	43,824	-	63,744	107,579	103,667
-	5,951	-	3,271	9,675	9,822
(332)	-	-	-	(66,852)	(60,186)
60	-	-	1,679	2,128	2,567
-	-	-	-	12,041	13,864
45,439	-	-	3,866	66,759	61,780
-	-	27,519	-	27,519	46,104
-	-	33,308	-	33,308	34,976
-	-	236,402	-	236,402	219,332
$ 4,193,424	$ 430,692	$ 297,229	$ 606,078	$ 7,324,125	$ 6,827,788
$ 77,835	$ -	$ -	$ 22,651	$ 286,560	$ 183,836
-	-	-	-	2,027	1,029
22	-	-	1,200	43,404	110,164
-	-	-	-	6,071	690
270,785	-	-	93	304,679	265,353
37,886	-	-	10,031	116,027	119,114
61	-	-	8,253	54,486	58,890
1,577	-	-	-	1,577	-
239	-	1,987	3,444	7,577	11,389
-	-	260,924	72,401	1,028,112	1,126,082
516,410	-	-	3,568	544,058	401,387
79	-	34,127	21,290	58,824	54,341
-	-	-	-	687,974	644,227
-	-	191	-	818	371
2,722	-	-	4	2,735	2,670
907,616	-	297,229	142,935	3,144,929	2,979,543
-	430,692	-	397,550	828,242	791,802
-	-	-	-	21,029	19,908
-	-	-	-	96,330	79,372
-	-	-	-	(484,679)	(494,769)
-	-	-	1,499	25,132	20,474
-	-	-	-	21,284	21,351
-	-	-	-	6,040	690
2,280	-	-	-	57,348	45,753
-	-	-	15,283	42,802	63,469
945,774	-	-	25,956	975,640	929,631
2,246,021	-	-	-	2,246,021	2,039,620
91,733	-	-	22,855	344,007	330,944
3,285,808	430,692	-	463,143	4,179,196	3,848,245
$ 4,193,424	$ 430,692	$ 297,229	$ 606,078	$ 7,324,125	$ 6,827,788

STATE OF MONTANA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	1993	1992
REVENUES:							
Licenses/Permits	$ 25,752	$ 67,021	$ -	$ -	$ -	$ 92,773	$ 82,744
Taxes:							
Gas/Oil/Coal Production	31,660	39,498	338	-	-	71,496	97,135
Individual Income	226,868	101,545	30,997	-	-	359,410	282,021
Corporate Income	51,307	26,859	6,889	-	-	85,055	57,682
Property	402	216,451	-	-	-	216,853	161,037
Fuel	-	116,300	-	-	-	116,300	113,111
Payroll	-	15,437	-	-	-	15,437	14,067
Other (Note 1)	63,950	61,341	10,543	3,464	-	139,298	125,863
Charges for Services/Fines/Forfeits	20,976	32,513	206	80	32	53,807	52,545
Investment Earnings	12,919	3,995	3,503	298	7,248	27,963	32,351
Sale of Documents/Mdse./Property	239	14,850	1,966	-	-	17,055	18,091
Rentals/Leases/Royalties	133	318	-	-	8	459	397
Contributions/Premiums	-	3,466	-	-	44,695	48,161	41,766
Grants/Contracts/Donations	4	3,678	-	-	42	3,724	3,674
Federal	180	667,273	15	-	25,284	692,752	599,650
Federal Indirect Cost Recoveries	213	1,604	-	-	-	1,817	1,738
Other Revenues	2,974	879	607	43	-	4,503	2,792
Total Revenues	437,577	1,373,028	55,064	3,885	77,309	1,946,863	1,686,664
Intrafund Revenues	(177)	(13,596)	(82)	-	-	(13,855)	(10,243)
Net Revenues	437,400	1,359,432	54,982	3,885	77,309	1,933,008	1,676,421
EXPENDITURES:							
Current:							
General Government	64,870	52,730	91	-	-	117,691	117,114
Public Safety/Corrections	52,708	53,162	-	-	-	105,870	100,864
Transportation	415	284,640	-	-	2,282	287,337	287,817
Health/Social Services	195,812	425,103	-	-	-	620,915	539,052
Education/Cultural	61,032	426,625	-	-	61	487,718	445,239
Resource Development/Recreation	15,055	55,743	-	49	-	70,847	71,791
Economic Development/Assistance	3,304	83,200	-	-	73,026	159,530	134,827
Debt Service:							
Principal Retirement	1,357	235	20,523	-	-	22,115	34,344
Interest/Fiscal Charges	3,866	547	19,919	-	-	24,332	23,042
Capital Outlay	3,076	16,097	-	4,282	-	23,455	25,938
Total Expenditures	401,495	1,398,082	40,533	4,331	75,369	1,919,810	1,780,028
Intrafund Expenditures	(177)	(13,596)	(82)	-	-	(13,855)	(10,243)
Net Expenditures	401,318	1,384,486	40,451	4,331	75,369	1,905,955	1,769,785
Excess of Rev. Over (Under) Expend.	36,082	(25,054)	14,531	(446)	1,940	27,053	(93,364)
OTHER FINANCING SOURCES (USES):							
Loan Proceeds	-	1,472	-	-	-	1,472	1,275
Bond Proceeds	457	9,947	927	-	-	11,331	169
Proceeds of Refunding Bonds	-	123,995	28,745	-	-	152,740	21,735
Payments to Refunded Bond Escrow Agent	-	(112,040)	(45,639)	-	-	(157,679)	-
Inception of Lease/Installment Contract	205	97	-	-	-	302	1,285
General Fixed Asset Sale Proceeds	52	61	-	-	-	113	78
Operating Transfers In (Note 13)	103,422	88,638	45,638	1,332	3	239,033	237,712
Operating Transfers Out (Note 13)	(123,264)	(72,194)	(54,297)	(2,123)	(5)	(251,883)	(276,535)
Total Other Financing Sources (Uses)	(19,128)	39,976	(24,626)	(791)	(2)	(4,571)	(14,281)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	16,954	14,922	(10,095)	(1,237)	1,938	22,482	(107,645)
Cum Eff of Chg in Acctg Prin.	-	-	-	-	-	-	69,738
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses After Cumulative Effect	16,954	14,922	(10,095)	(1,237)	1,938	22,482	(37,907)
FUND BALANCES - JULY 1 - as Prev. Reported	30,003	237,487	81,079	8,761	92,075	449,405	476,592
Prior Period Adjustments (Note 3)	(1,448)	371	-	-	-	(1,077)	9,667
FUND BALANCES - July 1 - As Restated	28,555	237,858	81,079	8,761	92,075	448,328	486,259
Increase (Decrease) in Inventories	(466)	399	-	-	-	(67)	333
Residual Equity Transfers (Note 13)	5,352	(3,918)	(10,157)	(1,134)	-	(9,857)	720
FUND BALANCES - JUNE 30	$ 50,395	$ 249,261	$ 60,827	$ 6,390	$ 94,013	$ 460,886	$ 449,405

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combined Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Reconciliation of Budget and Actual (Budgetary Basis) to GAAP Basis - Unreserved Fund Balance
General and Special Revenue Fund Types
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES:						
Licenses/Permits	$ 22,478	$ 25,752	$ 3,274	$ 61,918	$ 67,021	$ 5,103
Taxes:						
Gas/Oil/Coal Production	33,980	31,660	(2,320)	46,630	39,498	(7,132)
Individual Income	224,108	226,868	2,760	101,705	101,545	(160)
Corporate Income	37,190	51,307	14,117	21,575	26,859	5,284
Property	410	402	(8)	159,921	216,451	56,530
Fuel	-	-	-	115,754	116,362	608
Payroll	-	-	-	13,293	15,414	2,121
Other Taxes	55,074	63,950	8,876	57,554	61,302	3,748
Charges for Services/Fines/Forfeits	18,935	20,976	2,041	35,032	32,513	(2,519)
Investment Earnings	21,718	12,919	(8,799)	3,523	3,995	472
Sale of Documents/Merchandise/Property	173	239	66	18,022	14,850	(3,172)
Rentals/Leases/Royalties	97	133	36	243	318	75
Contributions/Premiums	-	-	-	3,246	3,466	220
Grants/Contracts/Donations	-	4	-	6,422	3,678	(2,744)
Federal	225	180	(45)	694,578	667,273	(27,305)
Federal Indirect Cost Recoveries	174	213	39	1,466	1,604	138
Other Revenues	346	2,974	2,628	1,012	879	(133)
Total Revenues	414,908	437,577	22,665	1,341,894	1,373,028	31,134
EXPENDITURES:						
Current:						
General Government	70,354	64,961	5,393	99,262	52,402	46,860
Public Safety/Corrections	53,303	52,493	810	57,393	53,078	4,315
Transportation	967	398	569	313,435	289,551	23,884
Health/Social Services	199,497	195,926	3,571	449,070	420,045	29,025
Education/Cultural	61,147	61,041	106	428,929	425,269	3,660
Resource Development/Recreation	15,076	14,833	243	89,773	60,197	29,576
Economic Development/Assistance	3,336	3,282	54	103,107	83,352	19,755
Debt Service:						
Principal Retirement	1,356	1,356	-	235	235	-
Interest/Fiscal Charges	3,866	3,866	-	547	547	-
Capital Outlay	2,509	2,682	(173)	16,118	16,581	(463)
Total Expenditures	411,411	400,838	10,573	1,557,869	1,401,257	156,612
Excess of Rev. Over (Under) Expend.	3,497	36,739	33,242	(215,975)	(28,229)	187,746
OTHER FINANCING SOURCES (USES):						
Loan Proceeds	-	-	-	1,500	1,472	(28)
Bond Proceeds	-	457	457	11,225	9,947	(1,278)
Proceeds of Refunding Bonds	-	-	-	129,000	123,995	(5,005)
Payments to Refunded Bond Escrow Agent	-	-	-	(112,040)	(112,040)	-
General Fixed Asset Sale Proceeds	60	52	(8)	26	61	35
Operating Transfers In	104,751	103,408	(1,343)	133,022	109,684	(23,338)
Operating Transfers Out	(173,937)	(123,274)	50,663	(101,844)	(94,458)	7,386
Total Other Financings Sources (Uses)	(69,126)	(19,357)	49,769	60,889	38,661	(22,228)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (Budgetary Basis)	(65,629)	17,382	83,011	(155,086)	10,432	165,518
RECONCILIATION OF BUDGETARY/GAAP REPORTING:						
1. Adjust expenditures for encumbrances.	-	(852)	(852)	-	8,717	8,717
2. Adjustments for appropriated loans/ other nonbudgeted activity.	-	424	424	-	(4,227)	(4,227)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (GAAP Basis)	(65,629)	16,954	82,583	(155,086)	14,922	170,008
UNRESERVED FUND BALANCES - JULY 1	24,486	24,486	-	189,711	189,711	-
Residual Equity Transfers	5,352	5,352	-	(3,918)	(3,918)	-
Prior Period Adjustments	-	(1,448)	(1,448)	-	371	371
Decrease (Increase):						
Encumbrances Reserve	-	1,450	1,450	-	(5,962)	(5,962)
Advances to Other Funds Reserve	-	(5,330)	(5,330)	-	(20)	(20)
Long-Term Loans Reserve	-	7	7	-	(13,275)	(13,275)
Trusts/Endowments Reserve	-	-	-	-	(269)	(269)
UNRESERVED FUND BALANCES - JUNE 30	$ (35,791)	$ 41,471	$ 77,262	$ 30,707	$ 181,560	$ 150,853

The notes to the financial statements are an integral part of this statement.

(Continued on Next Page)

STATE OF MONTANA
Combined Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Reconciliation of Budget and Actual (Budgetary Basis) to GAAP Basis - Unreserved Fund Balance
General and Special Revenue Fund Types
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES:			
Licenses/Permits	$ 84,396	$ 92,773	$ 8,377
Taxes:			
Gas/Oil/Coal Production	80,610	71,158	(9,452)
Individual Income	325,813	328,413	2,600
Corporate Income	58,765	78,166	19,401
Property	160,331	216,853	56,522
Fuel	115,754	116,362	608
Payroll	13,293	15,414	2,121
Other Taxes	112,628	125,252	12,624
Charges for Services/Fines/Forfeits	53,967	53,489	(478)
Investment Earnings	25,241	16,914	(8,327)
Sale of Documents/Merchandise/Property	18,195	15,089	(3,106)
Rentals/Leases/Royalties	340	451	111
Contributions/Premiums	3,246	3,466	220
Grants/Contracts/Donations	6,422	3,682	(2,740)
Federal	694,803	667,453	(27,350)
Federal Indirect Cost Recoveries	1,640	1,817	177
Other Revenues	1,358	3,853	2,495
Total Revenues	1,756,802	1,810,605	53,803
EXPENDITURES:			
Current:			
General Government	169,616	117,363	52,253
Public Safety/Corrections	110,696	105,571	5,125
Transportation	314,402	289,949	24,453
Health/Social Services	648,567	615,971	32,596
Education/Cultural	490,076	486,310	3,766
Resource Development/Recreation	104,849	75,030	29,819
Economic Development/Assistance	106,443	86,634	19,809
Debt Service:			
Principal Retirement	1,591	1,591	-
Interest/Fiscal Charges	4,413	4,413	-
Capital Outlay	18,627	19,263	(636)
Total Expenditures	1,969,280	1,802,095	167,185
Excess of Rev. Over (Under) Expend.	(212,478)	8,510	220,988
OTHER FINANCING SOURCES (USES):			
Loan Proceeds	1,500	1,472	(28)
Bond Proceeds	11,225	10,404	(821)
Proceeds of Refunding Bonds	129,000	123,995	(5,005)
Payments to Refunded Bond Escrow Agent	(112,040)	(112,040)	-
General Fixed Asset Sale Proceeds	86	113	27
Operating Transfers In	237,773	213,092	(24,681)
Operating Transfers Out	(275,781)	(217,732)	58,049
Total Other Financings Sources (Uses)	(8,237)	19,304	27,541
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (Budgetary Basis)	(220,715)	27,814	248,529
RECONCILIATION OF BUDGETARY/GAAP REPORTING:			
1. Adjust expenditures for encumbrances.	-	7,865	7,865
2. Adjustments for appropriated loans/ other nonbudgeted activity.	-	(3,803)	(3,803)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (GAAP Basis)	(220,715)	31,876	252,591
UNRESERVED FUND BALANCES - JULY 1	214,197	214,197	-
Residual Equity Transfers	1,434	1,434	-
Prior Period Adjustments	-	(1,077)	(1,077)
Decrease (Increase):			
Encumbrances Reserve	-	(4,512)	(4,512)
Advances to Other Funds Reserve	-	(5,350)	(5,350)
Long-Term Loans Reserve	-	(13,268)	(13,268)
Trusts/Endowments Reserve	-	(269)	(269)
UNRESERVED FUND BALANCES - JUNE 30	$ (5,084)	$ 223,031	$ 228,115

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	1993	1992
OPERATING REVENUES:						
Charges for Services	$ 82,393	$ 56,217	$ 5,769	$ -	$ 144,379	$ 135,929
Investment Earnings	65,338	1,793	92,695	191,368	351,194	331,588
Contributions/Premiums	172,917	55,863	-	171,688	400,468	335,693
Taxes	10,580	-	22,621	-	33,201	15,600
Rentals/Leases/Royalties	-	-	18,768	-	18,768	20,125
Grants/Contracts/Donations	-	-	1,309	-	1,309	914
Other Operating Revenues	1,554	83	33	-	1,670	2,394
Total Operating Revenues	332,782	113,956	141,195	363,056	950,989	842,243
Intrafund Revenues	(256)	(111)	-	(23)	(390)	(45)
Net Operating Revenues	332,526	113,845	141,195	363,033	950,599	842,198
OPERATING EXPENSES:						
Personal Services	14,477	20,397	-	873	35,747	33,523
Contractual Services	13,887	7,122	-	434	21,443	19,740
Supplies/Materials	30,335	10,252	-	21	40,608	40,599
Expendable Equipment	50	150	-	84	284	1,618
Benefits	159,592	46,560	-	145,909	352,061	405,987
Refunds	-	-	-	13,742	13,742	12,285
Depreciation	707	9,465	-	30	10,202	10,209
Amortization	53	380	-	6	439	522
Utilities/Rent	1,034	3,297	-	73	4,404	4,366
Communications	1,499	7,578	-	78	9,155	9,592
Travel	362	284	-	23	669	716
Repair/Maintenance	526	3,999	-	14	4,539	4,078
Grants	-	-	-	-	-	20
Lottery Prize Payments	17,742	-	-	-	17,742	13,550
Interest Expense	59,521	614	-	8	60,143	64,294
Arbitrage Rebate Tax	395	-	-	-	395	72
Other Operating Expenses	2,702	1,230	4	122	3,958	3,091
Total Operating Expenses	302,882	111,228	4	161,417	575,531	624,262
Intrafund Expenses	(256)	(111)	-	(23)	(390)	(45)
Net Operating Expenses	302,626	111,117	4	161,394	575,141	624,217
Operating Income (Loss)	29,900	2,728	141,191	201,639	375,458	217,981
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) Sale of Fixed Assets	(25)	(9)	-	(1)	(35)	(177)
Increase (Decrease) Value of Livestock	936	-	-	-	936	(539)
Federal Indirect Cost Recoveries	-	4,372	-	-	4,372	6,454
Total Nonoperating Revenues (Expenses)	911	4,363	-	(1)	5,273	5,738
Income (Loss) Before Operating Transfers	30,811	7,091	141,191	201,638	380,731	223,719
Operating Transfers In (Note 13)	18,752	705	6,977	3,496	29,930	33,870
Operating Transfers Out (Note 13)	(28,351)	-	(113,866)	-	(142,217)	(127,259)
Income (Loss) Before Extraordinary Items	21,212	7,796	34,302	205,134	268,444	130,330
Extraordinary Loss on Bond Redemption	(1,924)	-	-	-	(1,924)	-
Net Income (Loss)	19,288	7,796	34,302	205,134	266,520	130,330
RETAINED EARNINGS/FUND BALANCES - July 1 As Previously Reported	(466,939)	51,542	900,989	2,039,620	2,525,212	2,398,009
Prior Period Adjustments (Note 3)	366	382	(158)	1,267	1,857	(719)
RETAINED EARNINGS/FUND BALANCES - July 1 - As Restated	(466,573)	51,924	900,831	2,040,887	2,527,069	2,397,290
Residual Equity Transfers (Note 13)	(500)	(284)	10,641	-	9,857	(2,408)
RETAINED EARNINGS/FUND BALANCES - JUNE 30	$ (447,785)	$ 59,436	$ 945,774	$2,246,021	$2,803,446	$2,525,212

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	PROPRIETARY FUND TYPES			TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for Sales and Services	$ 245,296	$ 111,748	$ 5,568	$ 362,612	$ 312,544
Collections for Principal And Interest on Loans	135,542	-	-	135,542	132,870
Cash Payments for Loans	(32,301)	-	-	(32,301)	(75,002)
Payments to Suppliers for Goods and Services	(48,982)	(34,902)	-	(83,884)	(84,633)
Payments to Employees	(14,372)	(19,789)	-	(34,161)	(31,997)
Grant Receipts	-	3,933	-	3,933	6,212
Cash Payments for Claims	(117,305)	(46,003)	-	(163,308)	(162,787)
Collections of Notes Receivable	80	-	-	80	135
Cash Payments for Prizes	(16,576)	-	-	(16,576)	(13,484)
Transfers from Other Funds	-	121	-	121	332
Donations Received	-	-	1,339	1,339	786
Scholarship/Fellowship Payments	-	-	(4)	(4)	(10)
Other Operating Revenues	1,067	81	33	1,181	491
Net Cash Provided by (Used for) Operating Activities	152,749	15,189	6,936	174,574	85,457
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Payment of Principal and Interest on Bonds and Notes	(193,817)	-	-	(193,817)	(112,581)
Proceeds from Issuance of Bonds and Notes	46,684	-	-	46,684	207,683
Payment of Bond Issuance Costs	(545)	-	-	(545)	(4,876)
Collection of Taxes	10,580	-	22,708	33,288	15,566
Transfers to Other Funds	(28,060)	-	(118,374)	(146,434)	(140,372)
Transfers from Other Funds	17,791	778	1,738	20,307	41,542
Cash Payments for Loans	(14,636)	(30)	-	(14,666)	(46,000)
Collections for Principal And Interest on Loans	1,499	-	-	1,499	39,306
Proceeds from Interfund Loans	(35)	396	-	361	310
Interfund Loan Payments	-	(376)	-	(376)	(208)
Residual Equity Transfers to Other Funds	(500)	(284)	-	(784)	(2,107)
Residual Equity Transfers from Other Funds	-	-	10,641	10,641	902
Contributed Capital Transfers from Other Funds	-	729	-	729	165
Net Cash Provided by (Used for) Noncapital Financing Activities	(161,039)	1,213	(83,287)	(243,113)	(670)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of Fixed Assets	(705)	(8,275)	-	(8,980)	(7,521)
Proceeds from Sale of Fixed Assets	-	1,394	-	1,394	1,181
Transfers From Other Funds	-	-	-	-	-
Principal and Interest Payments on Bonds and Notes	(1)	(5,874)	-	(5,875)	(4,389)
Net Cash Used for Capital and Related Financing Activities	(706)	(12,755)	-	(13,461)	(10,729)
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of Investments	(1,684,546)	(6,944)	(398,723)	(2,070,213)	(1,003,643)
Proceeds from Sales or Maturities of Investments	1,390,943	6,836	417,671	2,015,450	831,118
Interest and Dividends on Investments	27,065	1,787	90,630	119,482	114,871
Arbitrage Rebate Tax	(118)	-	-	(118)	-
Collections for Principal and Interest on Loans	-	-	10,341	10,341	13,212
Cash Payments for Loans	-	-	(20,439)	(20,439)	(18,590)
Collection of Rents/Leases/Royalties	-	-	18,804	18,804	20,232
Net Cash Provided by (Used for) Investing Activities	(46,656)	1,679	118,284	73,307	(42,800)
Net Increase (Decrease) in Cash and Cash Equivalents	(55,952)	5,326	41,933	(8,693)	31,258
Cash and Cash Equivalents, July 1	112,996	24,959	77,239	215,194	183,936
CASH AND CASH EQUIVALENTS, JUNE 30	$ 57,044	$ 30,285	$ 119,172	$ 206,501	$ 215,194

The notes to the financial statements are an integral part ot this statement.

	PROPRIETARY FUND TYPES			TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	1993	1992
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	$ 29,900	$ 2,728	$ 141,191	$ 173,819	$ 37,177
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Depreciation	707	9,465	-	10,172	10,183
Amortization	53	380	-	433	5,793
Taxes	(10,580)	-	(22,621)	(33,201)	(15,600)
Interest Expense	59,521	604	-	60,125	59,092
Interest on Investments	(25,758)	(1,793)	(92,695)	(120,246)	(117,952)
Federal Indirect Cost Recoveries	-	4,373	-	4,373	6,454
Arbitrage Rebate Tax	395	-	-	395	-
Operating Transfers in	-	121	-	121	109
Rentals/Leases/Royalties	-	-	(18,768)	(18,768)	(20,125)
Change in Assets and Liabilities:					
Decr (Incr) in Accounts Receivable	(13,795)	(54)	-	(13,849)	(4,079)
Decr (Incr) in Due From Other Governments	-	45	-	45	(23)
Decr (Incr) in Due From Other Funds	1,613	(206)	(171)	1,236	(168)
Decr (Incr) in Inventories	311	(582)	-	(271)	(1,092)
Decr (Incr) in Long-term Loans/Notes Receivable	64,838	-	-	64,838	15,854
Decr (Incr) in Other Assets	(2,523)	(10)	-	(2,533)	(1,430)
Incr (Decr) in Accounts Payable	1,505	107	-	1,612	(209)
Incr (Decr) in Lottery Prizes Payable	998	-	-	998	585
Incr (Decr) in Due to Other Governments	3	-	-	3	6
Incr (Decr) in Due to Other Funds	(1,319)	(197)	-	(1,516)	2,604
Incr (Decr) in Deferred Revenue	(294)	(447)	-	(741)	(732)
Incr (Decr) in Property Held in Trust	3,290	4	-	3,294	1,602
Incr (Decr) in Other Liabilities	(35)	-	-	(35)	35
Incr (Decr) in Compensated Absences Payable	46	316	-	362	367
Incr (Decr) in Estimated Claims	43,573	335	-	43,908	107,006
Net Cash Provided by (Used For) Operating Activities	$ 152,449	$ 15,189	$ 6,936	$ 174,574	$ 85,457
SCHEDULE OF NONCASH TRANSACTIONS:					
Fixed Asset Acquisitions from Capital Leases	$ -	$ 390	$ -	$ 390	$ 1,938
Asset Acquisitions from Contributed Capital Transfers from Other Funds	214	2,066	-	2,280	243
Asset Disposals from Contributed Capital	(19)	(1,140)	-	(1,159)	-
Total Noncash Transactions	$ 195	$ 1,316	$ -	$ 1,511	$ 2,181

STATE OF MONTANA
Statement of Changes in Fund Balance
All Higher Education Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	CURRENT FUNDS			
	UNRESTRICTED			
	GENERAL OPERATING	DESIGNATED	AUXILIARY	RESTRICTED
REVENUES/OTHER ADDITIONS:				
Tuition/Fees	$ 53,417	$ 6,219	$ 7,553	$ 66
Federal Grants/Contracts	4,354	44	-	55,557
State Grants/Contracts	-	374	-	4,286
Local Grants/Contracts	-	10	-	392
Private Gifts/Grants/Donations	-	547	2	9,792
Endowment Income	-	-	-	6
Sales/Services-Educational Activities	774	1,428	2	78
Sales/Services-Designated/Auxiliary Enterprises	1	13,821	39,929	147
Indirect Costs Recovered	127	5,238	-	-
Investment Earnings	63	48	446	126
Acquisition of Long-Lived Assets	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Other Revenues/Additions	268	1,550	427	207
Total Revenues/Other Additions	59,004	29,279	48,359	70,657
Intrafund Revenues/Other Additions	-	-	-	-
Net Revenues/Other Additions	59,004	29,279	48,359	70,657
EXPENDITURES/OTHER DEDUCTIONS:				
Instruction	87,443	2,826	3	5,459
Research	11,251	3,025	-	22,006
Public Service	5,479	3,378	-	9,577
Academic Support	14,572	5,030	-	1,653
Student Services	15,023	7,552	-	3,323
Institutional Support	16,230	1,017	-	257
Independent Operations	1,226	-	-	-
Scholarships/Fellowships	4,853	15	-	24,866
Auxiliary Enterprises	1	9	39,879	84
Operation/Maintenance of Plant	19,593	126	-	167
Expended for Plant	-	5	-	-
Debt Services	267	196	106	11
Capital Outlay	5,531	2,779	157	2,818
Disposal of Long-Lived Assets	-	-	-	-
Debt Incurred	-	-	-	-
Other Expenditures/Deductions	518	388	109	42
Total Expenditures/Other Deductions	181,987	26,346	40,254	70,263
Intrafund Expenditures/Other Deductions	-	-	-	-
Net Expenditures/Other Deductions	181,987	26,346	40,254	70,263
TRANSFERS IN (OUT)/OTHER ADDITIONS (DEDUCTIONS):				
Transfers from State General Fund	107,741	-	-	-
Millage Transfers	14,744	-	-	-
Mandatory Transfers	-	(360)	(6,023)	-
Nonmandatory Transfers	(567)	(1,065)	(1,933)	123
Other Transfers	-	-	239	-
Total Transfers In (Out) (Note 13)	121,918	(1,425)	(7,717)	123
Move Equity to Investment in Plant	-	-	-	-
Loan Proceeds		-	-	-
Total Transfers In (Out)/Other Additions (Deductions)	121,918	(1,425)	(7,717)	123
Net Increase (Decrease) in Fund Balances	(1,065)	1,508	388	517
FUND BALANCES - July 1 - As Previously Reported	(11,760)	10,016	7,499	2,739
Prior Period Adjustments (Note 3)	(4)	10	(3)	1
FUND BALANCES - July 1 - As Restated	(11,764)	10,026	7,496	2,740
Residual Equity Transfers (Note 13)	-	2	-	(2)
FUND BALANCES - June 30	$ (12,829)	$ 11,536	$ 7,884	$ 3,255

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS		PLANT FUNDS				TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
STUDENT LOANS	ENDOWMENTS	UNEXPENDED	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	1993	1992
$ 1	$ -	$ 2,059	$ 952	$ 2,175	$ -	$ 72,442	$ 57,165
657	-	-	-	23	-	60,635	52,442
51	-	-	-	-	-	4,711	4,743
-	-	-	-	-	-	402	291
20	32	447	17	-	-	10,857	9,483
-	-	-	-	-	-	6	6
-	-	-	-	-	-	2,282	2,246
-	-	2	24	-	-	53,924	49,318
-	-	-	-	-	-	5,365	4,525
307	(15)	146	254	981	-	2,356	2,959
-	-	-	-	-	25,621	25,621	24,574
-	-	-	-	-	3,943	3,943	4,469
376	-	1,182	305	576	-	4,891	3,633
1,412	17	3,836	1,552	3,755	29,564	247,435	215,854
-	-	(48)	-	-	-	(48)	(139)
1,412	17	3,788	1,552	3,755	29,564	247,387	215,715
-	-	37	-	-	-	95,768	89,411
-	-	-	-	-	-	36,282	33,364
-	-	-	-	-	-	18,434	15,841
-	-	-	-	-	-	21,255	16,445
104	-	-	-	-	-	26,002	25,274
-	-	-	-	-	-	17,504	17,970
-	-	-	-	-	-	1,226	1,272
-	-	-	-	-	-	29,734	27,676
-	-	-	-	-	-	39,973	38,026
-	-	-	-	-	-	19,886	19,861
-	-	1,243	3,816	12	-	5,076	3,427
-	-	536	112	9,514	-	10,742	9,876
-	-	2,426	1,729	-	-	15,440	12,810
-	-	-	-	-	4,580	4,580	7,207
-	-	-	-	-	472	472	2,013
368	-	-	-	-	-	1,425	1,178
472	-	4,242	5,657	9,526	5,052	343,799	321,651
-	-	(48)	-	-	-	(48)	(139)
472	-	4,194	5,657	9,526	5,052	343,751	321,512
-	-	-	16	-	-	107,757	116,997
-	-	-	-	-	-	14,744	12,852
-	-	(438)	64	5,689	-	(1,068)	1,655
(1)	(1)	1,931	6,181	(2,730)	-	1,938	708
-	-	752	7	768	-	1,766	-
(1)	(1)	2,245	6,268	3,727	-	125,137	132,212
-	-	(101)	(489)	-	-	(590)	(1,471)
-	-	-	-	-	-	-	2
(1)	(1)	2,144	5,779	3,727	-	124,547	130,743
939	16	1,738	1,674	(2,044)	24,512	28,183	24,946
22,438	2,563	3,790	7,306	17,327	373,038	434,956	409,471
-	-	-	-	-	-	4	539
22,438	2,563	3,790	7,306	17,327	373,038	434,960	410,010
-	-	-	-	-	-	-	-
$ 23,377	$ 2,579	$ 5,528	$ 8,980	$ 15,283	$ 397,550	$ 463,143	$ 434,956

STATE OF MONTANA
Statement of Current Funds Revenues, Expenditures, Transfers and Other Changes
Higher Education Fund Type
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	CURRENT FUNDS				TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30	
	UNRESTRICTED					
	GENERAL OPERATING	DESIGNATED	AUXILIARY	RESTRICTED	1993	1992
REVENUES:						
Tuition/Fees	$ 53,417	$ 6,219	$ 7,553	$ 66	$ 67,255	$ 52,170
Federal Grants/Contracts	4,354	44	-	55,530	59,928	51,449
State Grants/Contracts	-	374	-	3,919	4,293	4,634
Local Grants/Contracts	-	10	-	392	402	291
Private Gifts/Grants/Donations	-	547	2	9,792	10,341	9,348
Endowment Income	-	-	-	6	6	6
Sales/Services-Educational Activities	774	1,428	2	78	2,282	2,246
Sales/Services-Designated/Auxiliary Enterprises	1	13,821	39,929	147	53,898	49,299
Indirect Costs Recovered	127	5,238	-	-	5,365	4,525
Investment Earnings	63	48	446	126	683	835
Other Revenues	268	1,550	427	207	2,452	2,139
Total Revenues	59,004	29,279	48,359	70,263	206,905	176,942
Intrafund Revenues	-	-	-	-	-	(123)
Net Revenues	59,004	29,279	48,359	70,263	206,905	176,819
EXPENDITURES:						
Educational and General:						
Instruction	87,443	2,826	3	5,459	95,731	89,380
Research	11,251	3,025	-	22,006	36,282	33,364
Public Service	5,479	3,378	-	9,577	18,434	15,841
Academic Support	14,572	5,030	-	1,653	21,255	16,445
Student Services	15,023	7,552	-	3,323	25,898	25,265
Institutional Support	16,230	1,017	-	257	17,504	17,970
Scholarships/Fellowships	4,853	15	-	24,866	29,734	27,676
Operation/Maintenance of Plant	19,593	126	-	167	19,886	19,861
Other Expenditures	518	388	109	42	1,057	959
Total Educational and General Expenditures	174,962	23,357	112	67,350	265,781	246,760
Intrafund Expenditures	-	-	-	-	-	(123)
Net Educational and General Expenditures	174,962	23,357	112	67,350	265,781	246,637
Auxiliary Enterprises	1	9	39,879	84	39,973	38,026
Independent Operations	1,226	-	-	-	1,226	1,272
Debt Services	267	196	106	11	580	769
Capital Outlay	5,531	2,784	157	2,818	11,290	11,101
Total Expenditures	181,987	26,346	40,254	70,263	318,850	297,805
TRANSFERS IN (OUT):						
Transfers from State General Fund	107,741	-	-	-	107,741	116,997
Millage Transfers	14,744	-	-	-	14,744	12,852
Mandatory Transfers	-	(360)	(6,023)	-	(6,383)	(6,667)
Nonmandatory Transfers	(567)	(1,065)	(1,933)	123	(3,442)	(677)
Other Transfers	-	-	239	-	239	-
Total Transfers In (Out) (Note 13)	121,918	(1,425)	(7,717)	123	112,899	122,505
OTHER ADDITIONS (DEDUCTIONS):						
Restricted Receipts Over (Under)						
Transfers to Revenue	-	-	-	394	394	365
Loan Proceeds	-	-	-	-	-	2
Total Other Additions (Deductions)	-	-	-	394	394	367
Net Increase (Decrease) in Fund Balances	$ (1,065)	$ 1,508	$ 388	$ 517	$ 1,348	$ 1,886

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1993

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - For financial reporting purposes, the State of Montana has considered all potential component units and has included all funds and account groups, agencies, boards, commissions, authorities, colleges, universities, and vocational-technical centers over which the State's executive, legislative and judicial branches exercise oversight responsibility. Oversight responsibility was determined on the basis of the following criteria as defined in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Other criteria used to evaluate potential component units include scope of public service and existence of special financing relationships. Based on this criteria, the following organizations are included in the accompanying financial statements:

Higher Education Units	Financing Authorities
State-owned Universities/Colleges/ Vocational-Technical Centers	Montana Board of Housing Montana Health Facility Authority Beginning Farm Loan Program

Though the following organizations perform functions related to the higher education units, they are not considered part of Montana's reporting entity because they do not fall within the oversight responsibility of the State's elected officials: (1) Community Colleges which are considered part of local units of government; and both (2) the Montana Higher Education Student Assistance Corporation, a private non-profit corporation, and (3) private foundations supporting public education, over which the State exercises neither financial nor administrative control.

B. Basis of Presentation - The accompanying financial statements for the State of Montana have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of the higher education funds have been prepared in conformity with GAAP for colleges and universities as prescribed by the National Association of College and University Business Officers (NACUBO) and the American Institute of Certified Public Accountants.

Significant intrafund transactions and balances have been eliminated.

The total columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Information in these columns does not present financial position, results of operations or changes in cash flows in conformity with generally accepted accounting principles. The total columns also do not present consolidated financial information as interfund eliminations have not been made in the aggregation of this data.

C. Fund Structure - The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The financial activities of the State of Montana are classified into four fund categories and two account groups, as described below:

GOVERNMENTAL FUNDS

General Fund - To account for all governmental financial resources except those required to be accounted for in another fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources restricted to expenditure for specified purposes (other than expendable trusts or major capital projects).

Debt Service Funds - To account for resources accumulated for payment of principal and interest on long-term general obligation debt.

Capital Projects Funds - To account for resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

PROPRIETARY FUNDS

Enterprise Funds - To account for operations (1) financed and operated similar to private business enterprises, where the intent of the legislature is to finance or recover costs primarily through user charges; or (2) where the legislature has decided periodic determination of revenue earned, expenses incurred, or net income is appropriate.

Internal Service Funds - To account for the financing of goods and services provided by one department or agency to other departments, agencies or other governmental entities on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - To account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include: (1) Expendable Trust Funds; (2) Nonexpendable Trust Funds; (3) Pension Trust Funds; and (4) Agency Funds.

ACCOUNT GROUPS

General Fixed Assets Account Group - To account for all fixed assets of the State, except those accounted for in the Proprietary, Nonexpendable Trust, Pension Trust and Plant Funds.

General Long-Term Obligations Account Group - To account for all long-term obligations of the State, except those accounted for in Proprietary, Nonexpendable Trust, Pension Trust and Plant Funds.

HIGHER EDUCATION (UNIVERSITY AND VOCATIONAL-TECHNICAL CENTER) FUNDS

Current Funds

Unrestricted

General Operating - To account for the portion of financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature.

Designated - To account for those resources associated with general operations which are separately classified in order to accumulate costs recharged to other funds and to identify special activities of educational departments which are supported by supplemental assessments and the receipt and disposition of special supply and facility fees which are approved for collection beyond normal course fees.

Auxiliary - To account for those financial resources devoted to providing essential on-campus services primarily to students, faculty or staff where a fee relating to the service is charged.

Restricted - To account for the portion of financial resources that can be expended only for purposes imposed by sources external to the Board of Regents and the legislature.

Fiduciary Funds

Student Loans - To account for moneys which may be loaned to students, faculty or staff for purposes related education, organized research or public services by the higher education units.

Endowments - To account for moneys where the principal is available for investment. Investment earnings are to be transferred to (or recorded directly in) appropriate operating funds pursuant to prevailing administrative requirements.

Agency - To account for moneys where the State acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff or qualified organizations.

Plant Funds

Unexpended - To account for unexpended resources derived from various sources which are used to finance the acquisition/construction of plant assets and the associated liabilities.

Renewal and Replacement - To account for resources used to provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements.

Retirement of Indebtedness - To account for resources accumulated for interest and principal payments and other debt service charges, including contributions to reserves, relating to plant fund indebtedness.

Investment in Plant - To account for all long-lived assets in the service of the higher education unit as well as all associated liabilities.

D. Basis of Accounting - The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed in the Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis, revenues are susceptible to accrual and recognized when they are measurable and available to pay current period liabilities. Intergovernmental revenues received as reimbursements are recognized based upon the expenditures incurred. Intergovernmental revenues received but not earned are recorded as deferred revenues. All other revenue including taxes on coal sales, gas and oil production, individual income and other self-assessed taxes is considered available if due within 60 days of fiscal year end. Based on historical analysis, a liability has been recognized for collected withholding taxes to be refunded in fiscal year 1994.

Expenditures are recognized when the related fund liability is incurred, with the following exceptions:

(1) principal and interest on long-term debt is recognized when due;
(2) prepayments are accounted for as expenditures in the period of acquisition; and
(3) inventory items are considered expenditures when purchased.

All Proprietary, Pension Trust and Nonexpendable Trust Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means all assets and liabilities associated with these activities are included on their balance sheets. Operating statements for these funds present increases (revenues) and decreases (expenses) in net total assets.

Proprietary, Pension Trust, Nonexpendable Trust and Higher Education Funds are maintained and report on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable. In Higher Education Funds, depreciation expense related to plant fund assets is not recorded; also, student tuition and fees are fully recognized in the fiscal year in which the related courses or activities are principally conducted. Proprietary and Higher Education Funds' unbilled receivables are recognized as revenue.

E. Cash/Cash Equivalents - For all funds, except the Board of Housing in the Enterprise Fund type, cash and cash equivalents consist of cash deposits, cash invested in STIP and short-term, highly liquid investments with original maturities of three months or less. The Board of Housing considers cash and cash equivalents to be cash held by the state treasurer, other cash deposits, and mortgage payments in transit.

F. Receivables - This classification, net of estimated uncollectibles, consists primarily of receivables for goods sold and services provided; short-term loans and notes; interest and dividends; taxes due within 60 days of fiscal year-end; and income, withholding and inheritance taxes that are past due. An allowance for uncollectible taxes is provided based upon historical analysis. The allowance for uncollectible taxes at June 30, 1993, is $25.8 million.

G. Inventories - Inventories of materials and supplies are stated at cost. The State allows agencies to use any generally accepted inventory pricing method, but specifies the first-in, first-out method should be appropriate for most agencies.

Governmental and Expendable Trust Funds use the "purchase method," meaning inventory purchases are recorded as expenditures. At fiscal year-end significant amounts of inventory are shown as a reserve of fund balance, indicating they do not constitute "available spendable resources."

Proprietary, Pension Trust, Nonexpendable Trust and Higher Education Funds report using the "consumption method," meaning inventories are expensed as used.

H. Deferred Gains/ Losses - This classification is used in the Pension Trust Funds to reflect use of the deferral and amortization method of accounting for gains and losses on the exchange of securities.

I. Deferred Charges - Unamortized bond issuance costs are reported in this category.

J. Deferred Revenue - Deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

K. Fund Balance/Retained Earnings Reserves - Portions of fund equity are reported as "reserved" to indicate (1) amounts not available for expenditure, such as equity represented by inventories; and (2) amounts legally segregated for a specific future use, such as those pledged for debt service and retirement benefits or legally-binding contractual agreements.

L. Other Taxes - On the Combined Statement of Revenues, Expenditures and Changes in Fund Balances for All Governmental Fund Types and Expendable Trust Funds, the revenue category "Other Taxes" consists of the following taxes (in thousands):

	General Fund	Special Revenue Fund	Dept Service Fund	Capital Projects Fund
Vo-Tech/University Millage	$ -	$14,971	$ -	$ -
Cigarette/Tobacco	-	-	10,543	3,464
Inheritance/Estate	12,853	-	-	-
Alcoholic Beverage	2,380	2,422	-	-
Miscellaneous	48,717	43,948	-	-
TOTAL OTHER TAXES	$63,950	$61,341	$10,543	$3,464

M. Property Taxes - Real property taxes are levied in October and are payable in two installments on November 30 and May 31. These taxes attach as an enforceable lien immediately if not paid when due. The State recognizes property tax revenues as available if they are collected within 60 days after fiscal year-end. Material delinquent and total uncollected current year property taxes receivable are recorded in Receivables (Net).

Personal property tax levies are set each August and notices are normally mailed the following March or April. Half of mobile home taxes are due in 30 days and the remaining half on September 30. Taxes on all other types of personal property are to be paid in full 30 days after receipt of the notice. Personal property taxes attach as an enforceable lien immediately if not paid when due.

Property taxes are collected by each of Montana's 56 counties. The counties then remit the State's portion to the State Treasury. The majority of these taxes help fund public school systems and higher education.

N. **Compensated Absences** - Full-time state employees earn vacation leave ranging from 15-24 days per year depending on the individual's years of service. Teachers employed by the State do not receive vacation leave. Vacation leave may be accumulated and carried over from one year to the next. The carryover is limited to two times the maximum number of days earned annually. Sick leave is earned at the rate of 12 days per year with no limit on accumulation. Each contribution year, an employee may contribute a maximum of 40 hours of sick leave to a nonrefundable sick leave pool. For fiscal year 1993, 791 hours were contributed to the sick leave pool and 775 hours were withdrawn leaving a balance of 4,598 hours in the pool. No liability is reported in the accompanying financial statements because these hours are nonrefundable to participants except by grants approved through an application process.

Vested or accumulated leave of proprietary and pension trust funds is recorded as an expense and liability of those funds and for higher education the expense and liability is recorded in the current unrestricted funds as the benefits accrue to employees. The liability amount recorded in the General Long-Term Obligations Account Group is not expected to be liquidated with expendable financial resources, thus no expenditure or liability is reported in the governmental funds. Upon retirement or termination, an employee is paid for 100% of unused vacation leave and 25% of unused sick leave. As of June 30, 1993, the State's liability for unused vacation and sick leave for Higher Education Funds was $21.3 million. The remaining agencies' leave liabilities at June 30, 1993, were $37.5 million, an increase of $2.2 million over the June 30, 1992, leave liability of $35.3 million. The following table reflects the change (in millions):

	Balance July 1, 1992	Leave Earned	Leave Used	Balance June 30, 1993
Governmental Fund Types and Similar Trust Funds	$ 32.1	$ 20.7	$ 18.7	$ 34.1
Proprietary Fund Types and Similar Trust Funds	3.2	2.2	2.0	3.4
Total Non-Higher Education Funds	$ 35.3	$ 22.9	$ 20.7	$ 37.5

2. BUDGETARY REPORTING

A. **State Budget Process** - Montana is a biennial budget state. The constitution requires that legislative appropriations not exceed available revenues. Revenue estimates are adopted by the legislature for budgetary purposes but do not represent a legal restriction on actual revenues. Expenditures may not legally exceed budgeted appropriations. In addition, the State Constitution prohibits borrowing to cover deficits incurred because appropriations exceeded anticipated revenues. State law requires an appropriation for disbursements from the General, Special Revenue, Capital Projects, Enterprise and Internal Service Funds. Budgets may be established in other funds for administrative purposes.

Agency budget requests are submitted to the Governor and the legislative fiscal analyst. The Governor and budget director establish priorities and balance the budget. The Governor's budget is submitted to the legislative fiscal analyst who then prepares recommendations. A comparison of those recommendations with the Governor's budget is submitted to the legislature. Joint appropriations subcommittee hearings are held and an omnibus appropriation bill is reported in the House and subsequently sent to the Senate. The legislature generally enacts one bill making all appropriations for the next two fiscal years. Appropriations are established for each program by accounting entity (fund) within an agency. Other appropriations are enacted by the legislature, but only within the available revenue. Agencies must prepare and submit to the budget director operational plans showing the allocation of operating budgets by expenditure category (i.e., personal services, contractual services, equipment, etc.). The budget director or other statutorily designated approving authority may authorize changes among expenditure categories and transfers between program appropriations.

Appropriations may not be increased by amendment in the General Fund. However, a department, institution or agency of the executive branch desiring authorization to make expenditures from the General Fund during the first fiscal year of the biennium from appropriations for the second fiscal year of the biennium may apply for authorization from the Governor through the budget director. Additionally, the Governor, or his designee, may approve budget amendments for non-General Fund moneys not available for consideration by the legislature and for emergencies. In the accompanying financial statements, reported budget amounts are as amended. Budget amendments authorized for fiscal year 1993 were not material. There were no expenditures in excess of total authorized appropriations in the State's budgeted funds for the fiscal year.

Appropriations may be continued into the next fiscal year when authorized by the legislature or the Governor's Office. After fiscal year-end, appropriations that are not continued are reverted. The reverted appropriations remain available for one fiscal year for expenditures that exceed the amount accrued/encumbered. Fund balances/retained earnings are not reserved for reverted appropriations. For fiscal year 1993, reverted appropriations for all funds were $264 million.

Because appropriations for Capital Projects Funds' are not made on an annual basis, activities for the Capital Projects Funds are not presented in the Combined Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Reconciliation of Budget and Actual (Budgetary Basis) to GAAP Basis - Unreserved Fund Balance.

B. Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded as expenditures and liabilities in order to reserve that portion of the applicable appropriation, is employed for budget control purposes. Encumbrances outstanding at fiscal year-end are reported as reservations of fund balances for subsequent year expenditures.

C. Budget Basis - The legislature's legal authorization ("appropriations") to incur obligations is enacted on a basis inconsistent with GAAP. The budget basis differs from GAAP for encumbrances outstanding at fiscal year-end; compensated absences, fixed assets and inventories purchased in Proprietary Funds; compensated absences and inventories purchased in Higher Education Funds; certain loans from Governmental Funds; deferred gains (losses) on bond swaps; and other miscellaneous nonbudgeted activity (e.g., bad-debt write-offs, etc.). The General and Special Revenue Fund Type budgetary statement includes a reconciliation of unreserved fund balance between "Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses" on the budgetary basis and the GAAP basis.

3. ACCOUNTING AND REPORTING CHANGES

The State made the following changes in its accounting and reporting practices to enhance conformance with GAAP. The changes reported in the accompanying financial statements which resulted in the reclassification of funds and the restatement of beginning fund equity are as follows:

Enterprise/Internal Service Funds
The MUS Group Insurance Fund and Employee Group Benefits Fund were reclassified from the Enterprise Fund to Internal Service Fund to comply with Section C50 of Governmental Accounting and Financial Reporting Standards.

Prior Period Adjustments - For the fiscal year ended June 30, 1993, the following adjustments to correct errors of prior periods have resulted in restatements (in thousands) of beginning fund equity.

Fund Type	Increase (Decrease)
General	$ (1,448)
Special Revenue	371
Enterprise	366
Internal Service	382
Nonexpendable Trusts	(158)
Pension Trusts	1,267
Higher Education:	
General Operating	(4)
Designated	10
Auxiliary	(3)
Restricted	1
Totals	$ 784

4. CASH/CASH EQUIVALENTS AND INVESTMENTS

This footnote details the following balance sheet classifications (in thousands):

Cash/Cash Equivalents	$ 1,408,835
Equity in Pooled Investments	$ 532,327
Investments	$ 2,845,645

Carrying amounts and market values (Bank Balance for Cash Deposits) for the State's cash/cash equivalents and investments are presented in Tables 1 through 6. The State's cash equivalents and investments are categorized in Table 2 - Short-Term Investment Pool (STIP), Table 3 - Cash Equivalents, Table 4 - Equity in Pooled Investments and Table 6 - Investments to disclose the level of risk assumed by the State at fiscal year-end. **Category 1** includes investments that are insured or registered, securities held by the State or its agent in the State's name. **Category 2** includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. **Category 3** includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the State's name. None of the State's cash equivalents or investments were classified in Category 3 at fiscal year-end.

Under a security lending agreement with the State's agent, all of the State's investments may be loaned. The agreement requires the collateralization of loaned securities with securities at 102% of their face value.

A. Cash/Cash Equivalents

(1) Cash Deposits - The State's main depository bank balance fluctuates daily. The State requires collateralization based on an average daily bank balance. For other depository banks, State statutes require collateralization at 50% of the bank balance. All securities pledged for collateral are held by the State or by the State's agent or its pledging institution's trust department in the State's name (see risk category 1 and 2, Table 1).

TABLE 1 - CASH DEPOSITS (In Thousands)

Risk Category	Carrying Amount	Bank Balance	Fund
Insured (FDIC)	$ 1,703	$ 1,703	Various
Uninsured:			
(1) Collateral held by State/State's agent	281,866	34,570	Various
(2) Collateral held by pledging institution's trust department	1,799	1,799	Various
(3) Uncollateralized	22,522	19,951	Various
Uncategorized:			
Cash in U.S. Treasury	89,738		
Less: Outstanding Warrants	(36,943)		
TOTAL CASH DEPOSITS	$360,685		

(2) Short-Term Investment Pool (STIP) - STIP consists of cash in the State Treasury not invested by individual funds in identifiable securities. Cash is pooled and invested in short-term instruments. Each investing fund, including local governments outside this reporting entity, purchase units in STIP. STIP is under the control of the Board of Investments.

TABLE 2 - SHORT TERM INVESTMENT POOL (STIP) (In Thousands)

	Risk Categories 1	Risk Categories 2*	Carrying Amount	Market Value	Fund
Government Securities	$ 114,492	$21,109	$ 135,601	$ 135,729	Various
Bankers' Acceptances	417,865	-	417,865	417,934	Various
Commercial Paper	219,596	-	219,596	219,604	Various
Repurchase Agreements	62,520	-	62,520	62,520	Various
Corporate Obligations	178,231	-	178,231	178,230	Various
Certificates of Deposit	30,002	-	30,002	30,014	Various
TOTAL STIP	$1,022,706	$21,109	$1,043,815	$1,044,031	

*At June 30, 1993, these securities with a market value of $21,118 were loaned under a security lending agreement with the State's agent.

As of June 30, 1993, total STIP included securities owned by local governments with both a carrying value and a market value of $270,407,900.

(3) Cash Equivalents - Cash equivalents except for the Board of Housing in the Enterprise Fund type, are short-term, highly liquid investments with original maturities of three months or less. The Board of Housing considers cash and cash equivalents to be cash held by the state treasurer, other cash deposits, and mortgage payments in transit. Cash equivalents may be under the control of the Board of Investments (the Board) or other agencies as allowed by law.

TABLE 3 - CASH EQUIVALENTS (In Thousands)

Fund Type	Government Securities Risk Category 1	Money Market	Carrying Amount	Market Value
Enterprise	$2,673	$ 448	$3,121	$3,121
Internal Service	-	661	661	661
Higher Education	-	553	553	553
TOTAL	$2,673	$1,662	$4,335	$4,335

B. Equity in Pooled Investments - Consists of cash pooled and invested in common stock and convertible debt securities of publicly held companies. Known as MONTCOMP (Montana Common Stock Pool) and MTCVP (Montana Convertible Pool), participation is restricted to expendable trust, nonexpendable trust, pension trust and higher education endowment funds. Purchases are subject to statutory restrictions for quality and size of holdings.

TABLE 4 - EQUITY IN POOLED INVESTMENTS (In Thousands)

	Risk Categories 1	Risk Categories 2*	Carrying Amount	Market Value
MONTCOMP				
Corporate Stocks	$486,660	$ 6,927	$493,587	$593,369
MTCVP				
Corporate Bonds	35,414	3,326	38,740	39,123
TOTAL EQUITY IN POOLED INVESTMENTS	$522,074	$10,253	$532,327	$632,492

* At June 30, 1993, these securities with a market value of $11,085 were on loan under a security lending agreement with the State's agent.

Investments - Investments are primarily administered by three state agencies. Article 8 of Montana's Constitution, with supporting statutes, provides the Board of Investments with the authority to manage the State's uniform investment program. State law specifies which agencies may hold investments outside the administration of the Board. The Board, as the State's primary administrator of long-term investments, actively manages 91% of those investments; the Board of Housing, 6%; and the Department of Administration's Personnel Division, 3% for the State's Deferred Compensation Plan.

The Board must employ the "Prudent Expert Rule" in managing the State's investment portfolio. The funds carry equity securities at cost and debt securities at amortized cost. Deferred compensation plan investments are carried at market.

The Board of Investments continued to invest in leveraged buyouts and venture capital in fiscal year 1993. The Board's total leveraged buyout commitment, administered by Kohlberg, Kravis, Roberts and Companies, amounts to $50,000,000. The leveraged buyout invested balance for the pension funds amounted to $23,235,691 on June 30, 1993.

For the purpose of portfolio diversification, the Board has committed $27,633,000 for venture capital investments administered by Brinson Partners. The June 30, 1993 venture capital invested balance totaled $7,216,101 for the Teachers' Retirement and $8,792,682 for the Public Employees' Retirement systems.

In September 1991, the board committed $5,000,000 per year for the next five years to invest in mortgage servicing rights. As of June 30, 1993, the invested balance in America's Mortgage Servicing, Inc., totaled $1,800,000 for the Teachers' Retirement and $2,200,000 for the Public Employees' Retirement systems.

TABLE 5 - INVESTMENTS (CARRYING AMOUNT/MARKET VALUE) (In Thousands)

Fund Type	Carrying Amount	Market Value	Corporate Bonds	Government Securities	Mortgages	Other
Special Revenue						
Carrying Amount	$ 11,334		$ 4,442	$ 6,892	$ -	$ -
Market Value		$ 11,590	4,574	7,016	-	-
Debt Service						
Carrying Amount	1,669		-	1,669	-	-
Market Value		1,778	-	1,778	-	-
Enterprise						
Carrying Amount	390,577		110,173	251,105	-	29,299
Market Value		413,580	111,502	270,344	-	31,734
Internal Service						
Carrying Amount	13,731		5,203	8,528	-	-
Market Value		14,221	5,438	8,783	-	-
Nonexpendable Trust						
Carrying Amount	728,139		506,520	217,751	-	3,868
Market Value		784,334	547,682	232,784	-	3,868
Pension Trusts						
Carrying Amount	1,595,635		1,002,144	432,997	109,340	51,154
Market Value		1,723,355	1,082,231	466,397	109,340	65,387
Higher Education						
Carrying Amount	14,719		25	14,142	-	552
Market Value		14,836	25	14,210	-	601
Total Identifiable Investments:						
Carrying Amount	$2,755,804		$1,628,507	$ 933,084	$109,340	$ 84,873
Market Value		$2,963,694	$1,751,452	$1,001,312	$109,340	$101,590
Deferred Compensation	89,841	89,841				
TOTAL INVESTMENTS	$2,845,645	$3,053,535				

TABLE 6 - INVESTMENTS (RISK CATEGORIES) (In Thousands)

Security Type	Categories 1	Categories 2	Carrying Amount	Market Value
Corporate Bonds	$1,579,101	$ 49,406	$1,628,507	$1,751,451
Government Securities	263,412	669,672	933,084	1,001,312
Other	15,777	29,299	45,076	48,315
Total	$1,858,290	$748,377	$2,606,667	$2,801,078
Direct Investments:				
Mortgages			109,340	109,340
Other			39,797	53,275
Deferred Compensation			89,841	89,841
TOTAL INVESTMENTS			$2,845,645	$3,053,534

At June 30, 1993, the Board of Investments had corporate bonds and government securities in risk category 2 with a market value of $53,496 and $545,681 respectively, on loan under a security lending agreement with the State's agent.

5. FIXED ASSETS

Fixed asset valuation is based on actual or estimated historical cost or, in the case of donations, fair market value on the date donated. Infrastructure fixed assets are generally not capitalized. Interest incurred during construction is not capitalized for general fixed assets or higher education units' fixed assets.

Fixed assets are not depreciated in the General Fixed Assets Account Group. When purchased, such assets are recorded as expenditures in the Governmental Fund. Fixed assets in Proprietary, Nonexpendable Trust and Pension Trust Funds are accounted for within their respective funds. Expendable Trust Funds do not show fixed assets within their funds because they are purchased by other funds. They are depreciated on a straight-line basis with estimated useful lives of 30-50 years for buildings, 20 years for improvements and 4-12 years for equipment.

Fixed assets and intangible assets for Higher Education Units are accounted for in the Investment in Plant Fund and are not depreciated.

Intrafund transfers of fixed assets have not been eliminated in the table below or in the accompanying financial statements.

Changes in fixed asset balances (long-lived asset balances for Higher Education Funds) for the fiscal year ended June 30, 1993, are reflected in the following table (in thousands):

	Balance July 1, 1992	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 1993
PROPRIETARY FUNDS				
Land	$ 926	$ 110	$ -	$ 1,036
Buildings/Improvements	4,058	197	-	4,255
Equipment	109,684	11,183	5,377	115,490
Other Fixed Assets	8	3	-	11
Construction in Progress	1,391	2,733	3,671	453
Subtotal/Total	116,067	$ 14,226	$ 9,048	121,245
Accumulated Depreciation	(59,881)			(66,520)
Total	$ 56,186			$ 54,725
NONEXPENDABLE TRUST FUNDS				
Land	$ 49,399	$ -	$ -	$ 49,399
PENSION TRUST FUNDS				
Land	$ 60	$ -	$ -	$ 60
Buildings/Improvements	355	-	-	355
Equipment	203	70	5	268
Subtotal/Total	618	$ 70	$ 5	683
Accumulated Depreciation	(305)			(332)
Total	$ 313			$ 351
GENERAL FIXED ASSETS ACCOUNT GROUP				
Land	$ 52,642	$ 3,549	$ 134	$ 56,057
Buildings/Improvements	231,976	4,905	3,459	233,422
Equipment	85,200	12,043	5,805	91,438
Other Fixed Assets	43,693	183	52	43,824
Construction in Progress	5,253	1,031	333	5,951
Total	$418,764	$ 21,711	$ 9,783	$430,692

HIGHER EDUCATION FUNDS	Balance July 1, 1992	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 1993
Land	$ 11,226	$ 635	$ 592	$ 11,269
Buildings/Improvements	281,843	10,305	330	291,818
Equipment	96,816	9,781	2,595	104,002
Other Fixed Assets	59,966	4,012	234	63,744
Construction in Progress	3,178	1,284	1,191	3,271
Intangible Assets	1,888	93	302	1,679
Total	$454,917	$ 26,110	$ 5,244	$475,783

6. RETIREMENT SYSTEMS

A. Defined Contribution Plans - Effective January 1, 1988, eligible employees of the Montana University System (MUS) could elect to participate in the Optional Retirement Program (ORP). The ORP is a defined contribution retirement plan governed by Title 19, Chapter 21 of the Montana Code Annotated. The plan is underwritten by the Teachers' Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) and only faculty and staff with contracts under the authority of the Board of Regents may elect to participate. Those faculty and staff members who do not elect ORP must participate in the Teachers' Retirement System, a defined benefit plan discussed in the next section.

The benefits at retirement depend upon the amount of contributions, amount of investment gains and losses and the employee's life expectancy at retirement. Under the ORP, each employee enters into an individual contract with TIAA-CREF. Individuals are immediately vested with all contributions. Higher education units record employee/employer contribution expenditures in the affected higher education subfund when remitting contributions to the Commissioner of Higher Education. These moneys are recorded in the Custodial Accounts Agency Fund. The Commissioner's Office then wire transfers the contributions to TIAA-CREF. The MUS is not liable for asset management or for providing benefits after the required contributions have been made to TIAA-CREF. Approximately 36.5% of eligible employees are members of the ORP. New employees have 90 days to make an election. Elections to a retirement plan are irrevocable during active employment. Employee contributions are 7.044% of salary and employer contributions are 2.956% of salary for a total of 10% of salary contributed to the ORP. There were no related party transactions in the current reporting period.

	TIAA-CREF (in thousands)
Covered Payroll	$ 27,992
Total Payroll	155,671
Employer Contributions	$ 827
Percent of Covered Payroll	2.956%
Employee Contributions	$ 1,972
Percent of Covered Payroll	7.044%

B. Defined Benefit Plans - The State contributes to and/or administers nine retirement systems in four categories: (1) the State as the single employer; (2) the State as an employer contributor to cost-sharing multiple-employer plans; (3) the State as a nonemployer contributor to cost-sharing multiple employer plans; (4) the State as an administrator - nonemployer, noncontributor; and (5) the State as a nonemployer contributor.

The number of years required to obtain vested rights varies among the systems. All systems provide early retirement options, death benefits, termination (except VFRS) and disability benefits. All systems (except VFRS) provide post-retirement benefits. Post-retirement benefits for the GWRS, PERS, TRS and SRS are based on investment yield, retirees' total years of service, age and option chosen at the time of retirement. Post-retirement adjustments are made only in years when funding is available and does not increase the unfunded liability of the system. The post-retirement benefits of each of the remaining systems are included in the plan descriptions below.

The funding policies for each system provide for periodic employer and employee contributions (except VFRS) at rates specified by state law; contribution requirements are not actuarially determined. An actuary determines the actuarial implications of the funding requirement in a biennial actuarial valuation. VFRS is in the process of being valuated. The actuarial method used to determine the implications of the statutory funding level is the entry age normal funding method, with both normal cost and amortization of the unfunded accrued liability determined as a level percentage of payroll. To maintain the fund on an actuarially sound basis, the rate of contributions should fund the normal cost in addition to amortizing the unfunded liability over a period of 40 years. The Contributions Required (R) by State/Actual (A) Contributions section contains the number of years needed to fund the normal cost and amortize the unfunded liability. Additionally, each system functions uniquely as described below:

(1) State as the Single Employer

HPORS - Highway Patrol Officers' Retirement System - This system, established in 1971 and governed by Title 19, Chapter 6 of the Montana Code Annotated, provides retirement services for all members of the Montana Highway Patrol, including supervisory personnel. Member and State contributions are 9% and 36.28%, respectively, of total salaries for active highway patrol officers. For members hired on or before July 1, 1985, there is no minimum age, but minimum service is 20 years for benefit eligibility. A member hired after July 1, 1985, must be 50 years old and have 20 years of

creditable service for benefit eligibility. The service retirement allowance is based on a formula of 2.5% times the number of years of service times the final average salary. Post-retirement benefits are 2% of a probationary highway patrolman's salary adjusted for years of service. Rights are vested after five years of service.

JRS - Judges' Retirement System - This system, established in 1967 and governed by Title 19, Chapter 5 of the Montana Code Annotated, provides retirement services for all persons employed as a judge of a district court or justice of the Supreme Court. The member contributes 7% of their salary and the State contributes 6% of active judges' salaries, district court fees equal to 34.71% of salaries payable to district court judges and Supreme Court justices, and 25% of Supreme Court fees. For benefit eligibility, minimum service is 5 years and minimum age is 65. The monthly retirement allowance formula is 3 1/3% times the number of years of service (to a maximum of 15 years) times 1/12 the final salary, plus 1.785% of such final salary for each year of service after 15 years. The JRS retirees can receive an increase in benefits based on legislative action. Rights are vested after five years of creditable service.

GWRS - Game Wardens' Retirement System - This system, established in 1963 and governed by Title 19, Chapter 8 of the Montana Code Annotated, provides retirement services for all persons employed as a game warden, including all supervisory personnel. The member contributes 7.9% of salary and the State contributes 7.15% of active game wardens's salaries, plus all collections from fines and forfeited bonds related to fish and game law violations. For benefit eligibility, minimum age is 50 and minimum years of service are 20. A member may retire with ten years of service at age 55. The formula for a service retirement allowance is 2% times the number of years of service times the final average salary. Rights are vested after ten years of service.

(2) State as an Employer Contributor to a Cost-Sharing Multiple-Employer

PERS - Public Employees' Retirement System - This mandatory system, established in 1945 and governed by Title 19, Chapter 3 of the Montana Code Annotated, provides retirement services to substantially all public employees. For fiscal year 1993, the contribution rate is 6.55% of gross wages for both employees and employers. Benefit eligibility is age 60 with at least 5 years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarially reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number of years of service times the final average salary times any early retirement reduction if necessary. Members' rights are vested after 5 years of service.

TRS - Teachers' Retirement System - This mandatory system, established in 1937 and governed by Title 19, Chapter 4 of the Montana Code Annotated, provides retirement services to all persons employed as teachers or professional staff of any public elementary or secondary school, vocational-technical center or unit of the university system. Contribution rates are 7.044% of gross wages for employees and 7.459% of gross wages for employers. Eligibility is met with a minimum of 25 years of service or age 60 with 5 years of creditable service. The formula for annual benefits is 1/60 times creditable service times the final average compensation. Rights are vested after five years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits.

(3) State as a Nonemployer Contributor to a Cost-Sharing Multiple-Employer

MPORS - Municipal Police Officers' Retirement System - The system, established in 1975 and governed by Title 19, Chapter 9 of the Montana Code Annotated, covers all municipal police officers of cities covered by the plan. Member contribution is 6% of salary for members employed prior to July 1, 1975, 7.2% of salary for members employed after June 30, 1975, and prior to July 1, 1979, and 8.7% for members employed after June 30, 1979. City contributions are 13.92% of active police officers' salaries. The State contributes 15.66% of active police officers' salaries. The State's contribution is funded from the premium tax on motor vehicle property and casualty insurance policies. Minimum years of service are 20 for benefit eligibility. Any officers meeting the eligibility requirements shall receive 1/2 their final average salary. For service greater than 20 years, the allowance will increase 1% of the final average salary per year of additional service up to a maximum of 60% of final average salary. Post-retirement benefits is the amount needed to provide 50% of the base salary of a newly confirmed police officer. Rights are vested after ten years of service.

FURS - Firefighters' Unified Retirement System - This system, established in 1981 and governed by Title 19, Chapter 13 of the Montana Code Annotated, provides retirement services for all paid firefighters. Member contribution is 6% of base compensation, and city contributions are 13.02% of total annual compensation. The State contribution is 23.27% of total annual compensation for all firefighters and is paid out of the insurance premium tax fund. Minimum age is 50 and minimum service is 20 years for benefit eligibility. For members hired prior to July 1, 1981, with at least 20 years of service, the monthly service retirement benefit is equal to 1/2 of the final monthly compensation received plus an additional 1% for each year in excess of 20 years, up to a maximum benefit of 60% of final monthly compensation. Members hired on or after July 1, 1981, shall receive a service retirement allowance equal to 2% of final average salary for each year of service up to a maximum of 30 years of service. Post-retirement benefits require that each retiree receive at least 50% of the salary paid a newly confirmed active firefighter. Rights are vested after ten years of service.

(4) State as Administrator - Nonemployer, Noncontributor

SRS - Sheriffs' Retirement System - This system, established in 1974 and governed by Title 19, Chapter 7 of the Montana Code Annotated, covers all persons employed as sheriffs. The member contribution is 7% of salary; the county contribution is 7.67% of salary. Minimum years of service for benefit eligibility are 24 for members elected or appointed prior to July 1, 1989. For members elected or appointed on or after July 1, 1989, the minimum years of service are 24 and the minimum age is 50. The service retirement allowance is calculated at 2.0834% of the final average salary for each year of creditable service, up to a maximum of 50% of final salary, plus 1.35% of the final average salary for each year of service in excess of 24 years, up to a maximum of 60% of final salary. Reduced benefits for early retirement may be taken with a minimum 15 years of service and minimum age of 50. Rights are vested after 5 years of service for any member terminated involuntarily.

(5) State as a Nonemployer Contributor

VFRS - Volunteer Firefighters' Retirement System - This system, established in 1965 and governed by Title 19, Chapter 12 of the Montana Code Annotated, provides medical benefits and retirement, disability and death benefits for all volunteer firefighters of unincorporated areas. The State contribution is 5% of fire insurance premium taxes collected. This retirement system is required by law to be fully funded and cannot pay benefits unless money is available. Members are entitled to receive full benefits after 20 years of service or partial benefits after 10 years of service.

C. Actuarial Data

Actuarial valuations are performed every two years excluding the VFRS. Data for the VFRS is not readily available for an actuarial valuation. The Public Employees' Retirement Division which administers the VFRS is currently in the process of developing a database to provide the necessary data for an actuarial valuation. Hendrickson, Miller & Associates Inc., Helena, MT, prepared the actuary reports for the other retirement systems, excluding TRS, and is responsible for completing the actuarial valuation for the VFRS. Milliman & Robertson, Inc., of Seattle, WA., performed the actuarial valuation for TRS. The following table discloses various information by retirement system (dollar amounts expressed in thousands) as of June 30, 1993. Although specific total payroll amounts are not available, substantially all of total payroll is covered.

	HPORS	JRS	GWRS	PERS	TRS	MPORS	FURS	SRS	VFRS
Membership									
Receiving Benefits	208	32	64	11,028	6,899	465	406	103	561
Vested Term. Employee	4	3	-	1,257	1,171	6	12	18	N/A
Non-vested Term. Employee	4	-	3	5,876	5,375	16	39	75	N/A
Vested Active Employees	126	27	51	18,488	10,855	198	249	308	N/A
Non-vested Active Employees	71	17	35	8,239	6,356	272	153	217	N/A
Total	413	79	153	44,888	30,656	957	859	721	561

	HPORS	JRS	GWRS	PERS	TRS	MPORS	FURS	SRS	VFRS
Plan Descriptions									
Total Covered Payroll	$ 5,550	$ 2,719	$ 2,615	$561,376	$445,391	$12,545	$11,561	$14,278	N/A
State Covered Payroll	$ 5,550	$ 2,719	$ 2,615	$230,657	$ 70,535	N/A	N/A	N/A	N/A
Related Party Disclosures									
Related Parties	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	N/A

	HPORS	JRS	GWRS	PERS	TRS	TOTAL
Funding Status & Progress						
Last Actuarial Valuation	7/01/92	7/01/92	7/01/92	7/01/92	7/01/92	
Actuarial Update	6/30/93	6/30/93	6/30/93	6/30/93	6/30/93	
Return on Investments	8.0%	8.0%	8.0%	8.0%	8.0%	
Projected Salary Increases:						
Inflation	6.5%	6.5%	6.5%	6.5%	6.5%	
Merit	NONE	NONE	NONE	NONE	NONE	
Changes In Post-retirement	6.5%	6.5%	NONE	NONE	NONE	
PBO (1):						
Retirees,beneficiaries (2)	$33,521	$12,130	$ 8,038	$ 591,330	$ 668,328	$1,313,347
Current Employees (3)	6,392	1,901	3,189	365,991	439,208	816,681
Employer-financed vested	18,521	7,521	3,810	425,429	424,422	879,703
Employer-financed non-vested	1,154	1,654	370	23,134	21,111	47,423
Total PBO	$59,588	$23,206	$15,407	$1,405,884	$1,553,069	$3,057,154
Net Assets Available for Benefits at Cost*	$33,982	$17,536	$13,591	$1,107,749	$ 924,131	$2,096,989
Unfunded PBO	$25,606	$ 5,670	$ 1,816	$ 298,135	$ 628,938	$ 960,165
*At Market Value	$37,386	$19,399	$15,297	$1,261,843	$1,107,995	$2,441,920

	MPORS	FURS	SRS	VFRS
Funding Status & Progress				
Last Actuarial Valuation	7/01/92	7/01/92	7/01/92	(13)
Actuarial Update	6/30/93	6/30/93	6/30/93	(13)
Return on Investments	8.0%	8.0%	8.0%	(13)
Projected Salary Increases:				
Inflation	6.5%	6.5%	6.5%	(13)
Merit	NONE	NONE	NONE	(13)
Changes In Post-retirement	6.5%	6.5%	NONE	(13)

	MPORS	FURS	SRS	VFRS
PBO (1):				
Retirees,beneficiaries (2)	$48,274	$ 50,249	$ 9,430	(13)
Current Employees (3)	9,538	10,710	10,830	(13)
Employer-financed vested	21,264	41,293	13,366	(13)
Employer-financed non-vested	5,130	4,402	2,122	(13)
Total PBO	$84,206	$106,654	$35,748	(13)
Net Assets Available for Benefits at Cost*	$47,433	$46,761	$45,821	$8,760
Unfunded PBO	$36,773	$59,893		(13)
Assets in Excess of PBO			$10,073	
*At Market Value	$51,199	$49,618	$49,831	$9,437

Contributions Required (R) by Statute/Actual (A) Contributions (4) (Statute Req. is Actuarially Determined)

	HPORS	JRS	GWRS	PERS	TRS	MPORS	FURS	SRS	VFRS
Total Contributions	$ 3,007	$ 960	$ 712	$77,377	$77,070	$ 7,248	$ 5,993	$ 2,152	N/A
Normal Cost	1,516	961	419	57,485	43,987	2,952	2,464	2,095	N/A
% Of Covered Payroll	27.32%	35.34%	16.02%	10.24%	9.88%	23.53%	21.31%	14.67%	N/A
Amort Unfunded Liab	1,501	-	294	19,596	31,351	2,403	2,485	110	N/A
% of Covered Payroll	27.05%	-	11.24%	3.49%	7.04%	19.16%	21.49%	.77%	N/A
Years Req. to Fund Normal Cost & Amortize Unfunded Liab.	28.80	27.32	4.06	18.25	34.9	24.71	30.36	-	(13)

	HPORS	JRS	GWRS	PERS	TRS	MPORS	FURS	SRS	VFRS
Employer Contributions (A)	$ 2,372	$ 757	$ 471	$36,988	$38,266	$ 2,208	$ 1,511	$ 1,097	(13)
% of Covered Payroll (A)	42.74%	27.8%	18.01%	6.589%	8.592%	17.60%	13.07%	7.68%	(13)
% of Covered Payroll (R)	36.28% (5)	6.0% (6)	7.15% (7)	6.55% (8)	7.459%	14.36% (9)	13.02%	7.67%	(13)
State Contributions (A)	$ 2,372	$ 757	$ 471	$15,183	$ 5,980	N/A	N/A	N/A	N/A
% of Employer Cont. (A)	100%	100%	100%	41.0%	15.6%	N/A	N/A	N/A	N/A
Employee Contributions (A)	$ 571	$ 184	$ 211	$38,886	$37,217	$ 1,091	$ 700	$ 1,034	(13)
% of Covered Payroll (A)	10.27%	6.8%	8.45%	6.927%	8.356%	8.70%	6.05%	7.24%	(13)
% of Covered Payroll (R)	9.0%	7.0%	7.9%	6.55%	7.044%	(10)	6.0%	7.0 %	(13)
Other Contributions(14) (A)	$ 64	$ 19	$ 20	$ 1,503	$ 1,587	$ 3,949	$ 3,782	$ 21	$ 669
% of Covered Payroll (A)	1.15%	.70%	.76%	.27%	.36%	31.48%	32.71%	.15%	(13)
% of Covered Payroll (R)	-	-	-	-	-	(11)	(12)	-	(13)

(1) The amounts shown as the PBO ("Pension Benefit Obligation") are standardized disclosure measures of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the systems. The significant actuarial assumptions used in the annual evaluations are the assumptions used in the PBO determination.

(2) Retirees, beneficiaries receiving benefits and terminated employees not yet receiving benefits.

(3) Current employees - accumulated employee contributions including allocated investment earnings.

(4) Actual percentages exceed required percentages (unless otherwise footnoted) because contributions include amounts for buybacks.

(5) The employer's contributions include fees from drivers' licenses and vehicle registrations.

(6) The employer also contributes District Court Fees equal to 34.71% of covered payroll and 25% of Supreme Court Fees. However, during the year ended June 30, 1993, actual contributions did not cover the year's normal cost.

(7) The employer's contribution includes all collections from fines and forfeited bonds related to fish and game law violations.

(8) The employer's contribution includes a loan receivable of $44,045 from the State Department of Labor and Industry to finance an early retirement incentive granted by the 1993 Montana State Legislature. Payment for this service may be made over a period of time not to exceed 10 years.

(9) Beginning May 1, 1993, city contributions increased from 13.92% to 14.36% of covered payroll.

(10) Beginning May 1, 1993, member contributions increased depending upon hire date. For members employed before July 1, 1975, contributions increased from 6% to 7.8% of salary; for members employed on or after July 1, 1975,

and prior to July 1, 1979, contributions increased from 7.2% to 9% of salary; for members employed on or after July 1, 1979, contributions increased from 8.7% to 10.5% of salary.

(11) The $3,949,000 contribution by the State equals 15.66% of active policemen's salaries and is contributed from a premium tax on motor vehicle property and casualty insurance policies. It includes $1,534,421 for post-retirement benefits for members with a minimum of 20 years of service at retirement. The State's contribution is 64.1% of total Employer and Other contributions.

(12) The $3,782,000 contribution by the State equals 23.27% of total firefighters' compensation and is contributed from a premium tax on insurance risks. It includes $1,042,261 for postretirement benefits for retired members. The State's contribution is 71.5% of total Employer and Other contributions.

(13) This retirement plan is in the process of being actuarially valuated. The State contributes 5% of fire insurance premium taxes collected.

(14) Other contributions include a retirement adjustment payment from the State's General Fund for retirees of State, Local and Teacher retirement systems who are Montana residents.

D. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Available 10-year trend information for HPRS, JRS, GWRS, PERS, TRS, MPORS, FURS, and SRS are found in the annual reports for these retirement systems.

REQUIRED SUPPLEMENTARY INFORMATION
Analysis of Funding Progress

		HPORS	JRS	GWRS	PERS	TRS	MPORS	FURS	SRS
Net Assets Available for Benefits Expressed as a % of PBO (Percentage Funded)	1991...	53.2%	69.5%	86.9%	78.3%	57.7%	49.6%	40.8%	137.2%
	1992...	54.7%	70.8%	88.7%	77.8%	57.9%	52.9%	41.6%	126.5%
	1993...	57.0%	75.6%	88.2%	78.8%	59.5%	56.3%	43.8%	128.2%
Unfunded PBO, Expressed as a % of Annual Covered Payroll	1991...	456.7%	274.1%	72.8%	52.4%	125.2%	324.1%	521.2%	77.1%*
*Assets in Excess of PBO, Expressed as a % of Annual Covered Payroll	1992...	463.8%	245.0%	65.2%	54.2%	143.6%	322.9%	545.3%	63.2%*
	1993...	461.4%	208.5%	69.4%	53.1%	141.2%	293.1%	518.1%	70.6%*
Employer Contributions Expressed as a % of Annual Covered Payroll	1991...	31.09%	30.1%	19.52%	6.434%	7.495%	~~13.03%~~	~~13.03%~~	7.81%
	1992...	38.71%	26.5%	18.53%	6.417%	8.432%	14.01%	13.27%	7.96%
	1993...	42.74%	27.8%	18.01%	6.589%	8.592%	17.60%	13.07%	7.68%

7. SELF-INSURANCE FUNDS

The State of Montana maintains several self-insurance plans. A brief description of each plan and the method of recording transactions are discussed below:

A. Group Employee Comprehensive Medical and Dental Plan - This plan is fully self-insured, with the State assuming all the risk for claims incurred by employees of the State, elected officials, retirees and their dependents. There is no third party coverage. Premiums are collected through payroll deductions, deductions through the Public Employees' Retirement System and self-payment and are recorded as revenue in the Employees' Group Benefits Internal Service Fund.

In June 30, 1993, incurred but not reported claims were estimated to be $5,992,639 based on a formula provided by Martin E. Segal Company, a consulting actuarial firm. A liability is recorded in the accompanying financial statements for these estimated claims.

Postemployment Benefits - In addition to the pension benefits described in Note 6, Retirement Systems, the State provides 18 to 36 months optional postemployment healthcare benefits in accordance with Public Law 99-272, known as the Federal Consolidated Omnibus Reconciliation Act (COBRA) to the following employees and dependents who elect to continue and pay administratively established premiums: (1) employees who are receiving employee healthcare benefits at the time they discontinue State employment, and (2) dependents who lose dependent eligibility. Currently 148 individuals are receiving these benefits.

In accordance with State statute 2-18-704, MCA, the State also provides optional postemployment healthcare benefits to the following employees and dependents who elect to continue coverage and pay administratively established premiums: (1) employees who retire under applicable retirement provisions and (2) surviving dependents of deceased employees. Retirement eligibility criteria differ by retirement system (See Note 6). Administratively established premiums vary between $94 and $241 per month depending on coverage ranging from retirees only to retirees, spouses, and children, Medicare or non-Medicare eligible. The State acts as secondary payor for Medicare-eligible claimants. Currently 2,342 retirees are receiving healthcare benefits.

After an annual $200 deductible, the State reimburses 75% of the first $3,000 in validated medical claims and 100% of any remaining validated claims in the year. Dental claims are reimbursed at 50% to 100% depending on the services

provided. The State funds claims on a pay-as-you-go basis. During the fiscal year, expenditures of $7,090,011 were recognized for postemployment healthcare benefits. Of this amount, $4,930,286 was covered by former employees' premium contributions and $2,159,725 of claims in excess of premium revenue was paid by the State.

B. Montana University System (MUS) Group Benefits Plan - This plan was authorized by the Regents to provide medical, dental, and vision insurance coverage to employees of the Montana University System, as well as their dependents, retirees, and COBRA members. The MUS Group Benefits Plan is fully self-insured with a stop loss underwritten by United of Omaha at 125% of expected claims. United of Omaha is the claims administrator on the plan. Managed Care Montana (Blue Cross/Blue Shield of Montana) has a contract for utilization management. The utilization management program consists of hospital pre-authorization, case management and medical necessity review. Premiums are collected from employees through payroll deductions and recorded in the MUS Group Insurance Internal Service Fund.

The incurred but not reported claims are estimated to be $3,200,000 as of June 30, 1993. A liability is recorded in the accompanying financial statements for these estimated claims.

Postemployment Benefits - In addition to the pension benefits described in Note 6, Retirement Systems, the Montana University System (MUS), under State statute 2-18-702, MCA, provides postretirement health insurance benefits. Eligible employees must receive a retirement benefit from the Teachers Retirement System (TRS), Public Employees Retirement System (PERS), or an annuity under the Optional Retirement Plan. Spouses, unmarried dependent children, and surviving spouses are also eligible.

Administratively established premiums vary between $120 and $334 per month and are revised annually. Medicare eligible plan members are assumed to be Medicare-insured. After an annual $250 deductible, MUS reimburses 80% of the first $3,000 in medical claims in excess of $600 and 100% thereafter. The plan automatically reduces claim reimbursement for members eligible for Medicare even if not enrolled in Medicare. As of February 1993, 1,031 retirees are enrolled in the MUS plan.

Funding for the retiree health plan is on a pay-as-you-go basis. Based on amounts recorded through February 1993, estimated expenditures of $2,070,000 were recognized for postemployment healthcare benefits. Of this amount, $1,865,000, was covered by former employees' premium contributions and $205,000 of claims in excess of premium revenue was paid by the State.

C. Property & Casualty Insurance Plans - This self-insurance plan provides coverage for general liability, automobile liability, automobile physical damage, retail liquor stores inventory and State-administered foreclosure housing units. The State self-insures the $150,000 deductible per occurrence for property insurance. The insurance carrier pays up to $1.2 billion for the University System and the Capitol Complex and $50 million for all other State property. The flood and earthquake liability limit is $100 million per occurrence with a $1,000,000 deductable for earthquakes and a $500,000 deductable for floods. Premiums are collected from all State agencies including Higher Education Units and recorded as revenue in the Administration Insurance Internal Service Fund.

Based on the most recent actuarial report, prepared by Tillinghast and issued for the accident period 7/1/82 -6/30/93, a liability of $15,430,571 is recorded in the accompanying financial statements for estimated claims including those incurred but not reported.

8. DEFERRED COMPENSATION PLAN

Since 1976, the State of Montana has offered a deferred compensation plan which allows employees to set aside a portion of their salary each payday towards retirement while deferring the State and Federal income taxes until future years. The payroll deferrals are invested with Nationwide Insurance. All employees of the State are eligible to participate. The plan operates under the sanction of both State and Federal laws (Section 457 of the Internal Revenue Code). The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. In the past, the plan assets have been used for no purpose other than to pay benefits. The State believes it is unlikely it will use the assets to satisfy the claims of general creditors in the future because of the contractual arrangement with Nationwide Insurance and the State's obligation to participants for their account balance. State statute provides that the State and its political subdivisions are not liable for any investment losses incurred by any eligible deferred compensation plan. However, the State does have the duty of care required of an ordinary prudent investor. As of June 30, 1993, the net assets of the plan available for benefits totaled $89.896 million.

The following table provides a summary of the increases and decreases of the Employees Deferred Compensation Agency Fund for the fiscal year ended June 30, 1993, (in thousands):

Fund Assets (at market value), July 1, 1992	$ 79,741
Deferrals of compensation	7,974
Earnings and adjustment to market value	7,358
Payments to eligible participants and beneficiaries	(4,786)
Administrative expenses	(391)
Fund Assets (at market value), June 30, 1993	$ 89,896

9. RISK MANAGEMENT–PUBLIC ENTITY RISK POOLS

The State of Montana has five public entity risk pools that are properly reported within the Enterprise Fund Type: State Compensation Insurance (New Fund), State Compensation Insurance (Old Fund), Hail Insurance, Uninsured Employers', and Subsequent Injury Funds. In all of these funds there are no significant reductions in insurance coverage from the prior year, nor any insurance settlements exceeding insurance coverage. None of these funds have acquisition costs; therefore, no cost is amortized for the period. Unpaid claims and claim adjustment expenses are estimated based on the ultimate cost of settling the claims including the effects of inflation and other societal/economic factors. These funds use the accrual basis of accounting. By statute, these funds cannot invest in common stock. Investments are recorded at amortized cost. Premiums and discounts are amortized using the straight-line method over the life of the securities.

A. State Compensation Insurance (New Fund) - Liability coverage to employers for injured employees that are insured under the Workers' Compensation and Occupational Disease Acts of Montana and workers' compensation claims occurring on or after July 1, 1990, are reported in the State Compensation Insurance Fund (State Fund-New). The State Fund-New must insure any employer who desires coverage. At fiscal year-end, approximately 26,700 employers were insured with the State Fund-New. Montana state governmental agencies must obtain their workers' compensation coverage through the State Fund-New. Anticipated investment income is considered for computing a premium deficiency and employers must pay premiums to the State Fund within specified timeframes.

An actuarial study prepared by Tillinghast, a Towers Perrin company, as of June 30, 1993, has estimated liabilities and the ultimate cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. Because actual claim costs depend on such complex factors as inflation and changes in the law, claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and societal factors.

A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. At June 30, 1993, $404,705,624 of unpaid claims and claim adjustment expenses are presented at their net present value of $296,545,100. These claims are discounted at an annual rate of 6% (See Notes 14 and 16).

The State Fund uses reinsurance agreements to reduce its exposure to large losses. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer. The State Fund did not deduct any claim liabilities related to potential reinsurance recoverable. When the State Fund purchases annuity contracts, the claim is settled in full and on a final basis; all liability of the State Fund-New is terminated.

Statute requires the State Fund-New set premiums at least annually at a level sufficient to ensure adequate funding of the insurance program during the period the rates will be in effect.

B. State Compensation Insurance (Old Fund) - The liability and payment of workers' compensation claims for incidents occurring before July 1, 1990, are reported in the State Compensation Insurance Fund (State Fund-Old). There is no premium income; however, funding for claim payments is provided by a 0.28 % payroll tax on all Montana employers. Payroll tax bonds in the amount of $142,095,000 were issued July 15, 1991, to provide the necessary operating cash to pay the liabilities of pre-July 1, 1990, accidents (See Note 12.E(3). This source of funding was exhausted in February 1993. The employer payroll tax which has been extended to employees and the self-employed, will provide funding for bond payments. An actuarial study prepared by Tillinghast, a Towers Perrin company, as of June 30, 1993, was used to estimate liabilities and the ultimate cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. At June 30, 1993, $365,249,186 of unpaid claims and claim adjustment expenses are presented at face value. This fund generates little interest earnings, does not discount estimated claims liabilities, and does not compute a premium deficiency (See Notes 14 and 16). During FY93 the State Fund - New loaned the State Fund - Old $13,000,000 to provide needed cash.

A class action suit was filed before the Workers' Compensation Court in Murer, et al. v. Montana State Compensation Mutual Insurance Fund, et al. which attempts to have the Court rule that a freeze on workers' compensation benefits in place in fiscal years 1988 through 1991 should no longer apply once the date of the freeze expired. The State Fund's position is that the law in existence at the time of the injury applies for the life of the claim. The case was rejected by the Workers' Compensation Court as a class action and the decision was affirmed by the Montana Supreme Court. Though not a class action, an adverse decision will have the same impact. It is reasonably possible the State Fund will incur an unfavorable outcome in this matter. The amount of loss at this time is estimated to be approximately $11,000,000. Only a portion of this amount impacts the New Fund.

C. Hail Insurance - Any Montana producer engaged in growing crops subject to destruction or damage by hail may participate in the hail insurance program. Approximately 3,600 producers participated in this program in 1992 and 1993. This fund accounts for premium assessments paid by producers for crop acreage insured, investment and interest earnings, administrative costs and claims paid for hail damage. Depending upon the actuarial soundness of the reserve fund and the damage in a season, producers may receive a refund. Anticipated investment income is considered in computing a premium deficiency of which there is none.

A claim must be submitted to the State Board of Hail Insurance within fourteen days of a loss occurrence. It must be indicated whether the grain is stemming, in the boot, heading out, in the milk, in the stiff dough, ready to bind, or combine. If bean, peas or other crops are damaged, the growth-stage must also be indicated. Inspection of a crop will occur as promptly as possible after claim receipt and no later than September 30. The insurance only covers loss or damage to growing grain which exceeds 5% destruction by hail.

The fund recorded a liability of $495,468 based on claims submitted for losses through June 30, 1993. Any crop insurance liability is paid to producers within one year of occurrence; therefore, liabilities are not discounted. The fund is protected through a reserve fund balance and has no excess insurance, reinsurance, or annuity contracts.

D. **Uninsured Employers'** - This fund provides benefits to claimants injured while working for uninsured employers and is funded by penalties collected from employers without workers' compensation insurance. Section 39-71-503(2) of the Montana Code Annotated prohibits the fund from maintaining surpluses and reserves. Claims are paid on a monthly, first-in, first-out basis with wage loss benefits paid first, and medical benefits paid next, but only if sufficient funds are available. There is no premium deficiency and/or limitations on revenue collected or benefits that can be paid. Claims that are denied for payment because of insufficient cash may not be resubmitted; therefore, there are no incurred but not reported claims liability. Also, there are no annuities purchased nor excess insurance or reinsurance.

E. **Subsequent Injury** - This fund provides benefits to workers certified as vocationally handicapped who are injured on the job and entitled to benefits under the Workers' Compensation or Occupational Disease Act at the time of injury. The liability of the insurer for payment of compensation benefits is limited to 104 weeks of benefits actually paid. This fund will reimburse the insurer for all benefits paid after this 104 week time period. In Montana, there are 1,651 individuals certified as vocationally handicapped.

Workers' compensation insurance premium experience modification factors are influenced by the 2 year limitation and employers may experience an insurance premium reduction. Therefore, this fund provides employers with a potential incentive for hiring the certified vocationally handicapped.

This fund makes no provision for insured events of the current year. All Montana insurers are annually assessed an amount of up to 5% of each insurer's compensation payments for the previous fiscal year. An estimated liability is recorded based on a projected cost (case-by-case) analysis of each injured, certified, vocationally handicapped worker. As of June 30, 1993 the amount of this liability is estimated to be $1,061,000.

F. **Changes in Claims Liabilities For the Past Two Years** - As indicated above, these funds establish liabilities for both reported and unreported insured events including estimates of future payments of losses and related claim adjustment expenses. The following tables present changes (in thousands) in those aggregate liabilities during the past two years. All information in these tables is presented at face value and has not been discounted.

	STATE COMPENSATION INSURANCE (NEW FUND)		STATE COMPENSATION INSURANCE (OLD FUND)		HAIL INSURANCE	
	1993	1992	1993	1992	1993	1992
Unpaid claims and claim adjustment expenses at beginning of year	$291,402	$119,619	$406,719	$433,454	$ 4	$ 1,623
Incurred claims and claim adjustment expenses:						
Provision for insured events of the current year	170,792	187,976	-	-	1,449	1,604
Increases in provision for insured events of prior years	14,422	34,259	7,500	43,260	-	(483)
Total incurred claims and claim adjustment expenses	185,214	222,235	7,500	43,260	1,449	1,121
Payments:						
Claims and claim adjustment expenses attributable to insured events of the current year	(19,087)	(21,478)	-	-	(954)	(1,600)
Claims and claim adjustment expenses attributable to insured events of prior years	(52,823)	28,974	(48,970)	(69,995)	(4)	(1,140)
Total payment	(71,910)	(50,452)	(48,970)	(69,995)	(958)	(2,740)
Total unpaid claims and claim adjustment expenses at end of the year	$404,706	$291,402	$365,249	$406,719	$ 495	$ 4

	UNINSURED EMPLOYERS'		SUBSEQUENT INJURY	
	1993	1992	1993	1992
Unpaid claims and claim adjustment expenses at beginning of year	$ -	$ -	$1,222	$ 633
Incurred claims and claim adjustment expenses:				
Provision for insured events of the current year	72	191	-	-

	UNINSURED EMPLOYERS'		SUBSEQUENT INJURY	
	1993	1992	1993	1992
Increases in provision for insured events of prior years	344	274	73	1,090
Total incurred claims and claim adjustment expenses	416	465	73	1,090
Payments:				
Claims and claim adjustment expenses attributable to insured events of the current year	(72)	(191)	-	-
Claims and claim adjustment expenses attributable to insured events of prior years	(344)	(274)	(234)	(501)
Total payment	(416)	(465)	(234)	(501)
Total unpaid claims and claim adjust. exp. at end of the year	$ -	$ -	$1,061	$1,222

G. Risk Management Trend Information

The following table only presents risk management trend information for the State Compensation Insurance (New Fund). Only the State Fund-New has a three to five year development cycle as was contemplated by GASB Statement 10. The State Compensation Insurance (Old Fund) does not charge a premium for its services; its funding source is the employer payroll tax which was extended to employees and the self employed in FY93. The Hail Insurance Fund pays claims within a calendar year cycle that parallels the growing season from spring planting to fall harvesting; therefore, it has no three to five year development cycle. State statute limits the payment of claims and the collection of premiums (and penalties) for the Subsequent Injury and Uninsured Employers' Fund from any developmental cycle.

The table below illustrates how the earned revenues (net of reinsurance) of the State Fund-New and its investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the fund as of the end of the fiscal year (in thousands). Line 3 shows the fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). Section 4 shows the cumulative amounts paid as of the end of successive years for each policy year. Section 5 shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. Line 6 compares the latest reestimated incurred claims amount to the amount originally established (Line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. This table will be expanded and revised as data for successive policy years develops.

	STATE COMPENSATION INSURANCE (NEW FUND)		
	1991	1992	1993
1. Net earned required contribution and investment revenues	$ 105,542	$132,423	179,359
2. Unallocated expenses including overhead	6,048	8,232	9,325
3. Estimated incurred claims and expenses, end of policy year	137,237	183,425	186,480
4. Paid (cumulative) as of:			
End of policy year	17,618	20,244	18,347
One year later	44,335	50,576	
Two years later	64,079		
5. Reestimated incurred claims and expense:			
End of policy year	137,237	183,425	186,480
One year later	166,980	184,968	
Two years later	160,272		
6. Increase (decrease) in estimated incurred claims and expense from end of policy year	23,035	1,543	

10. COMMITMENTS

A. Highway Construction - At June 30, 1993, the Department of Transportation had contractual commitments of approximately $116.5 million for construction of various highway projects. Funding for these highway projects is to be provided from federal grants and matching special revenue funds.

B. Capital Construction - At June 30, 1993, the Department of Administration, Architecture & Engineering Division, had commitments of approximately $5.6 million for capital projects construction. Funding for these projects is to be provided from the general fund, special revenue funds, capital projects funds, proprietary funds and higher education funds.

C. Proprietary Fund Commitments - Fixed budgets are legally adopted in Enterprise and Internal Service Funds (excluding depreciation, compensated absences and bad debt expense). Appropriations may be committed for goods/services that are not received as of fiscal year-end. These executory commitments are included in unreserved retained earnings in the accompanying financial statements as follows (in thousands):

	AMOUNT
Enterprise Funds	
Housing Authority	$ 8
State Compensation Insurance (New Fund)	4
Historical Society Publications	15
Subtotal-Enterprise Funds	$ 27
Internal Service Funds	
Highway Equipment	$ 1,786
ISD	310
Admin. Legal	2
Motor Pool	15
Admin. Property & Supply	236
Publications & Graphics	72
Buildings & Grounds	131
Labor Central Services	63
Employee Group Benefits	34
DHES Indirect Cost Pool	7
FWP Warehouse Inventory	35
Investment Division	3
FWP Equipment	84
Subtotal-Internal Service Funds	$ 2,778
Total-Proprietary Funds	$ 2,805

11. LEASES/INSTALLMENT PURCHASES

The State has entered into various capital and operating leases for land, buildings, equipment and computer software. Lease contracts are required by law to contain a clause indicating continuation of the lease is subject to funding by the Legislature. It is expected that in the normal course of operations most of these leases will be replaced by similar leases.

A. Capital Leases/Installment Purchases - Changes in capitalized leases/installment purchases follow (in thousands):

	Balance July 1, 1992	Additions (Deductions)	Balance June 30, 1993
General Long-Term Obligations	$ 2,720	$ (733)1	$ 1,987
Proprietary Fund Types			
Enterprise Fund	$ 2	$ (2)	$ -
Internal Service Fund	4,887	(2,980)	1,907
Total Proprietary	$ 4,899	$ (2,982)	$ 1,907
Fiduciary Fund Types			
Pension Fund	-	239	239
Higher Education Funds	$ 3,780	$ (336)	$ 3,444
Total Capitalized Leases/ Installment Purchases	$ 11,389	$ (3,812)	$ 7,577

(1) This amount consists of $305,000 as additions; $624,000 of additions as adjustments; and $1,662,000 as deductions.

Future minimum lease payments under capital leases/installment purchases are as follows (in thousands):

Fiscal Year Ending June 30	General Long-Term Obligations	Proprietary Fund Types Enterprise	Proprietary Fund Types Internal Service	Fiduciary Fund Types Pension	Higher Education Funds	Totals
1994	$ 680	$ -	$ 657	$ 61	$ 1,181	$ 2,580
1995	597	-	661	61	1,290	2,609
1996	580	-	531	61	1,063	2,235
1997	522	-	215	61	396	1,194
1998	30	-	78	21	76	205
After 1998	-	-	-	-	-	-
Total minimum payments	$ 2,409	$ -	$ 2,142	$ 265	$4,006	$ 8,823
Less: Interest	(422)	-	(235)	(26)	(562)	(1,245)
Present value of minimum payments	$ 1,987	$ -	$ 1,907	$ 239	$3,444	$ 7,577

B. Operating Leases - Total rental payments for operating leases in fiscal year 1993 were $5,094,000. Future rental payments for operating leases are as follows (in thousands):

Fiscal Year Ending June 30	Amount
1994	$ 5,285
1995	4,108
1996	3,099
1997	2,794
1998	1,945
After 1998	5,125
Total future rental payments	$22,356

12. STATE DEBT

A. General Information - The State has no constitutional limit on its power to issue obligations or incur debt other than a provision that no debt may be created to cover deficits incurred because appropriations exceeded anticipated revenues. The Board of Examiners (consisting of the Governor, Secretary of State and Attorney General) is authorized, pursuant to various enabling acts, to issue bonds and notes of the State.

B. Short-Term Debt - The Board of Examiners, upon recommendation of the Department of Administration, may issue notes in anticipation of the receipt of taxes and revenues. No notes may be issued to refund outstanding notes. The notes must be redeemed by the end of the fiscal year in which issued.

At June 30, 1993, Bonds\Notes Payable includes short-term notes payable of $13 million in the Enterprise Fund. These are loans made from the State Compensation Insurance (New Fund) to the State Compensation Insurance (Old Fund) to provide cash for payment of claims. Notes were repaid in October 1993.

The Board of Investments (BOI) of the State of Montana is authorized to issue Municipal Finance Consolidation Act Bonds which may not aggregate more than $50 million. The purpose of the bonds is to provide funds for the BOI to make loans to eligible local government units. The bonds are not in any way a debt or liability of the State of Montana. The bonds are limited obligations of the BOI payable solely from repayments of principal and interest on loans made by the BOI to participating local government units, investment income under the indenture and an irrevocable pledge by the BOI. The BOI has no taxing power. Bondholders may elect to have their bonds purchased by the Trustee on March 1 of each year until maturity. These issues are considered to be demand bonds and have been reclassified as short-term debt. In previous years these issues were included in the long-term debt section for Economic Development & Municipal Finance Consolidation Act Bonds. The amounts issued and outstanding at June 30, 1993 are as follows (in thousands):

Series	Amount Issued	Balance June 30, 1993
1987	$ 6,500	$ 1,920
1988	5,000	2,300
1991	5,000	4,925
1992	6,500	6,470
TOTAL		$15,615

C. Long-Term Debt - The full faith, credit and taxing powers of the State are pledged for the payment of all general obligation debt. Revenue bonds and mortgage bonds are secured by a pledge from the facilities to which they relate and by certain other revenues, fees and assets of the State and the various colleges and universities. Long-term debt (excluding bonds/notes of Enterprise Funds and Internal Service Funds discussed elsewhere in this footnote; Leases - Note 11; and Compensated Absences - Note 1) of the State at June 30, 1993, is as follows (in thousands):

				Principal Payments		
General Obligation Debt	Series	Amount Issued	Interest Range (%)	FY 1994	In Year of Maturity (9)	Balance June 30, 1993
Highway Bldg Complex	1976	$ 7,400	5.0	$ 535	$ 600 (1996)	$ 1,700
Long-Range Bldg Program	1983B	39,330	7.75-8.0	180	195 (1995)	375
Water Development Program (1)	1984A	900	8.6-8.90	150	150 (1996)	110
Long-Range Bldg Program	1985A	8,550	7.2-8.0	325	150 (2001)	1,700
Water Development Program (1)	1985B	1,000	7.2-7.6	150	175 (1996)	500
Renewable Resource Dev. (1)	1985C	1,100	7.2-7.6	175	200 (1996)	575
Water Development Program (1)	1985D	1,000	6.85-6.875	125	125 (1996)	375
Water Development Program (1)	1988	500	9.4	15	50 (2009)	450
Water Development Program (1)	1989B	500	8.55	15	50 (2010)	470
Long-Range Bldg Program	1989	3,540	6.25	745	795 (1995)	1,540
Water Development Program (1)	1991A	750	8.0-8.5	25	90 (2007)	725
Wastewater Treatment Works	1991B	2,595	5.0-6.8	65	215 (2014)	2,595
GO Refunding	1992	31,330	4.0-7.0	1,475	390 (2010)	31,330
Energy Conservation Program (2)	1993A	1,500	2.5-4.75	-	180 (2004)	1,500
Total General Obligation Debt		$99,995		$ 3,980		$ 43,945
Special Revenue Bonds						
Department of Transportation	1987	$ 37,955	5.5-6.25	$ 7,820	$9,795 (1998)	$ 37,955
Water Conservation (3)	-	535	3.463-5.0	12	3 (2016)	327
Water Dev. Program (4)	1987C	1,215	6.25-7.6	35	120 (2008)	1,065
Water Dev. Program (4)	1988A	1,720	6.75-7.3	50	160 (2009)	1,540
Water Dev. Program (4)	1989A	6,000	6.1-6.9	185	520 (2010)	5,505
Broadwater Power Project (4)(6)	1990A	3,800	9.5	260	505 (2002)	3,340
Water Development Program (4)	1990B	9,625	6.2-7.2	400	955 (2007)	8,895
Broadwater Power Project (4)(5)	1991A	21,735	6.4-6.875	-	2,135 (2018)	21,735
Water Development Program (4)	1992A	11,995	3.0-6.1	685	1,250 (2006)	11,955
Water Development Program (4)	1992B	9,375	2.8-6.0	270	795 (2013)	9,375
Department of Transportation	1993	112,040	2.5-5.2	1,200	15,185 (2006)	112,040
Total Special Revenue Bonds		$215,995		$10,917		$213,732
Middle Creek Dam Project (7)		$ 2,867	8.125	$ -	1,581 (2032)	$ 3,203
Early Retirement Benefits Note (8)		44	8.0	44	6 (2003)	44
Total Notes Payable		$ 2,911		$ 44		$ 3,247
TOTAL GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP						$260,924

(1) All Water Development Program Bonds and the Renewable Resource Development (1985C) Bonds are secured additionally by a pledge of and payable from certain coal severance taxes. Series 1985B, 1985C, 1988, 1989B and 1991A bonds are also secured by a pledge of loan repayments from loans made from the bond proceeds.

(2) Bonds issued for financing the design, construction and installation of energy conservation projects at various State buildings. First payment of $125,000 is due in 1995.

(3) Bonds were sold to Farmers Home Administration.

(4) Issued by the Department of Natural Resources and Conservation (DNRC) and backed by a pledge of coal severance taxes.

(5) First payment of $795,000 is due in 2003.

(6) Bonds were sold to the Montana Board of Investments.

(7) U.S. Bureau of Reclamation loan to Montana Dept. of Natural Resources & Conservation. The outstanding balance includes $335,901 of interest owed. The first payment is due in 1995.

(8) State of Montana Public Employees' Retirement Division, Department of Administration loan to Department of Labor & Industry.

(9) Year of Maturity refers to fiscal year.

Board of Regents Issues Higher Education Units	Series	Amount Issued	Interest Range (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
University of Montana (U of M)	1985A-B/1987A-B	$21,784	6.0-8.9	$1,033	$1,660 (2008)	$12,480
Montana State University (MSU)	1985B/1986A/1987A	43,690	6.6-8.65	960	7,345 (2010)	39,270
Montana College of Mineral Science & Technology (TECH)	1986A	6,745	6.6-7.625	160	1,070 (2010)	5,820
Eastern Montana College (EMC)	1985B/1988A	11,440	6.4-8.375	425	1,160 (2005)	9,195
Northern Montana College (NMC)	1987A	1,445	7.0-8.75	45	140 (2008)	1,255
Western Montana College (WMC)	1966B-D/1967A-B	1,826	3.0-5.25	65	16 (2007)	579
Total Higher Education Bonded Debt		$86,930		$2,688		$ 68,599
Higher Ed Nonbonded Debt						
EMC Library Note		$ 250	6.42	$ 90	$ 90 (1994)	$ 90
EMC P.E. Building Note		285	5.69	44	55 (1998)	244
NMC Gas Distribution Note		31	5.6	10	11 (1996)	31
U of M Mortgage Payable		204	Variable	5	5 (2012)	187
WMC INTERCAP Program Note		51	4.35	10	11 (1996)	51
Billings Vo-Tech Center Note		876	None	117	95 (1999)	625
Butte Vo-Tech Center Note		3,271	None	465	468 (1998)	2,333
Great Falls Vo-Tech Center Note		316	None	100	100 (1994)	100
Total Higher Education Nonbonded Debt		$ 5,284		$ 841		$ 3,661
TOTAL HIGHER EDUCATION FUNDS						$ 72,260

Debt service requirements (principal and interest) for long-term notes/bonds payable reported in the General Long-Term Obligations Account Group and Higher Education Funds are as follows (in thousands):

Fiscal Year Ending June 30	General Obligation Debt	Special Revenue Bonds	Higher Ed Revenue Bonds	Non-Bonded Debt	Total Requirements
1994	$ 5,967	$ 16,119	$ 7,928	$ 875	$ 30,889
1995	15,051	23,353	7,955	675	47,034
1996	13,848	23,466	7,725	659	45,698
1997	4,406	23,372	6,993	643	35,414
1998	1,112	23,257	7,163	639	32,171
1999+	13,985	213,293	82,862	337	310,477
Totals	$ 54,369	$322,860	$120,626	$ 3,828	$ 501,683

A summary of changes in long-term notes/bonds payable reported in the General Long-Term Obligations Account Group and Higher Education Funds for the fiscal year ending June 30, 1993, are as follows (in thousands):

	Balance July 1, 1992	Issued	Retired	Balance June 30, 1993
General Obligation Debt	$ 60,140	$ 32,830	$ 49,025	$ 43,945
Special Revenue Debt	205,459	129,352	117,832	216,979
Higher Ed Revenue Bonds	72,687	-	4,087	68,600
Higher Ed Nonbonded Debt	4,174	366	880	3,660
Totals	$ 342,460	$ 162,548	$ 171,824	$ 333,184

D. Refunded Bonds

On February 15, 1993, the Department of Transportation issued $112.040 million of Highway Revenue Refunding Bonds with an interest rate of 2.5% graduating to 5.2%. The Department used the bond proceeds along with certain other funds available to advance refund the 1987 Series Highway Revenue Bonds maturing on July 1, 1998 and thereafter which had an interest rate range of 6.45% to 7%. The purpose of the refunding was to take advantage of savings that resulted from lower interest rates. The net proceeds from the issuance of the 1993 Refunding Series Bonds were deposited with an Escrow Agent and invested in U.S. government securities until the bonds maturing on July 1, 1998 and thereafter are called for redemption on July 1, 1997. The advance refunding met the requirements of an insubstance defeasance and the 1987 Series bonds maturing on July 1, 1998 and thereafter were removed from the State's General Long-Term Obligations Account Group. The advance refunding resulted in a reduction of total debt service for the State of $8,387,069. The economic gain calculated using an effective interest rate of 5.35% is $3,047,077.

On December 1, 1992, the Department of Administration issued $31.330 million of General Obligation Refunding Bonds with an interest rate of 4% graduating to 7%. The Department used the bond proceeds along with certain other funds available to advance refund the 1983 Series A General Obligation Refunding Bonds which had an interest rate range from 8.875% to 9.5%. The purpose of the refunding was to take advantage of savings that resulted from lower interest rates. The net proceeds from the issuance of the 1992 General Obligation Refunding Bonds were deposited with an Escrow Agent and invested in U.S. government securities until the bonds maturing on August 1, 1993 and thereafter were called for redemption on August 1, 1993. The advance refunding met the requirements of an insubstance defeasance and the 1983 Series A Bonds were removed from the State's General Long-Term Obligations Account Group. The advance refunding resulted in a reduction of total debt service for the State of $3,937,821. The economic gain calculated using an effective interest rate of 4.75% is $2,679,940.

On December 1, 1992, the Department of Natural Resources and Conservation issued $11.955 million of Coal Severance Tax Bonds with an interest rate of 3% graduating to 6.1%. The Department used the bond proceeds along with $128,000 of certain other funds available to advance refund the 1985 Series A Coal Severance Tax bonds which had an interest rate from 5.75% to 9.125%. The purpose of the refunding was to take advantage of savings that resulted from lower interest rates. The net proceeds from the issuance of the 1992 Series A Refunding Bonds were deposited with an Escrow Agent and invested in U.S. government securities until called for redemption on December 1, 1995. The advance refunding met the requirements of an insubstance defeasance and the 1985 Series A Bonds were removed from the State's General Long-Term Obligations Account Group. The advance refunding resulted in a reduction of total debt service for the State of $1,265,900. The economic gain calculated using an effective interest rate of 5.91% is $871,814.

In prior years, the State of Montana and the Board of Higher Education have issued general obligation and revenue refunding bonds, the proceeds of which were used to defease certain bond issues already outstanding. The proceeds of the refunding issues were placed in escrow accounts and invested in U.S. Treasury Obligations that, together with interest earned thereon, will be sufficient for future payment of principal and interest on the refunded issues. Accordingly, the debt is considered defeased for financial reporting purposes and the liability for the defeased bonds is not included in the financial statements. At June 30, 1993, the defeased bonds outstanding are as follows (in thousands):

General Obligation	$ 57,050
Special Revenue	128,390
Higher Education Revenue	51,948
Total	$237,388

E. Enterprise Funds

(1) Board of Housing (BOH) Revenue Bonds - The Montana Board of Housing (Housing Authority) is authorized to have an aggregate of $975 million of housing mortgage bonds outstanding. The bonds are payable from mortgage loan repayments and investment earnings. All bonds issued to date are secured by federally insured or guaranteed mortgages. Statutory provisions exist wherein the Governor shall include in the executive budget submitted to the legislature the sum required to fund possible future deficiencies in required reserves; however, the legislature is not legally required to appropriate funding for such deficiencies. None of the outstanding bonds were issued under these provisions. Amounts reported in the Enterprise Fund for the Board of Housing were reproduced from their most recent audit report, which received an unqualified opinion dated August 24, 1993.

BOH Revenue Bonds (net) outstanding at June 30, 1993, were as follows (in thousands):

Program	Series	Amount Issued	Interest Rate (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
Single Family I	1977A	$ 21,470	4.5-8.0	$ 665	$ 1,850 (2009)	$ 11,325
	1977B	35,060	4.15-8.0	970	3,160 (2009)	18,750
	1978A	13,600	5.05-8.0	450	1,115 (2010)	7,540
	1987A	20,000	5.3-8.625	390	1,240 (2018)	13,820
	1987B1-B2	20,000	6.25-9.0	235	1,050 (2019)	14,135
	1988A1-A2	19,999	5.4-8.5	325	3,580 (2027)	15,812
Subtotal		$130,129		$ 3,035		$81,382
Single Family II	1979A	$100,000	5.1-6.6	$ 3,615	$ 9,670 (2011)	$ 58,925
	1983A	30,000	5.25-9.875	360	1,225 (2008)	10,430
	1983B	55,000	8.0-9.625	800	2,010 (2008)	23,925
	1983C	114,998	5.75-10.7	1,215	15,289 (2010)	42,830
	1984A	75,002	7.0-10.375	925	13,680 (2010)	27,238
	1985A	40,000	5.5-9.75	1,595	7,044 (2016)	20,558
	1985B	74,997	5.7-9.75	785	1,640 (2017)	22,094
	1992RA	22,520	5.65-6.5	-	40,000 (2033)	22,520
Subtotal		$512,517		$ 9,295		$228,520

Program	Series	Amount Issued	Interest Rate (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
Family III	1988B1-B2	25,000	6.2-8.9	240	1,350 (2021)	19,105
Single Family IV	1989A1-A2	25,000	7.0-9.2	215	1,760 (2021)	20,080
Single Family V	1990A1-A2	25,000	6.2-8.525	270	1,990 (2022)	22,025
Single Family V	1990B1-B2	25,000	6.2-8.5	260	2,005 (2022)	22,740
Single Family VII	1990C1-C2	25,000	6.55-8.95	245	1,995 (2022)	22,865
Single Family VIII	1991A1-A2	25,000	5.2-8.275	275	1,935 (2023)	23,850
Single Family IX	1991B1-B2	25,000	5.5-8.4	255	1,880 (2023)	24,265
Single Family X	1992A1-A2	25,000	4.45-7.85	145	1,885 (2024)	25,000
Multifamily	1978A	$ 4,865	6.125	$ 55	$ 645 (2020)	$ 4,420
	1992	9,725	2.95-6.55	110	220 (2024)	9,725
Subtotal		$ 14,590		$ 165		$ 14,145
TOTAL		$857,236		$14,400		$503,977
Less: Unamortized discounts/premiums (net)						(38)
TOTAL BOH BONDS PAYABLE (net)						$503,939

Debt service requirements (principal & interest) for all BOH programs are as follows (in thousands):

1994	1995	1996	1997	1998	1999+	Total
$48,747	$48,904	$48,964	$48,261	$46,942	$919,006	$1,160,824

(2) **Economic Development & Municipal Finance Consolidation Act Bonds (EDB)** - This program is directed by the nine-member Board of Investments which is attached to the Department of Commerce for administrative purposes. This program assists Montana's small businesses and local governments in obtaining long-term, fixed rate financing through private Montana lending institutions. Outstanding obligations are as follows (in thousands):

Program	Series	Amount Issued	Interest Rate (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
Industrial Development Revenue Bonds (Pooled Loan) (1)	1984A-G	$ 3,650	7.0-10.75	$ 140	$ 570 (2006)	$ 2,950
Industrial Development Revenue Bonds (Pooled Loan) (1)	1985A-K	3,160	6.75-10.1	90	395 (2007)	2,705
Municipal Finance Consolidation Act Bonds (Irrigation Program) (2)	1988	4,976	6.6-7.75	145	130 (2014)	5,110
Economic Development Bonds (Conservation Reserve Enhancement Program) (3)	1991A-B	7,380	10.0-11.2	935	435 (1999)	5,970
Municipal Finance Consolidation Act Bonds (4)	1991	6,234	4.75-6.5	703	294 (2005)	5,219
TOTAL BONDS PAYABLE		$ 25,400		$ 2,013		$ 21,954
Conservation Reserve Enhancement Program (CRP Notes) (3)		3,278	9.0-9.92	-	45 (2001)	3,278
TOTAL BONDS/NOTES PAYABLE		$28,678		$ 2,013		$25,232

(1) These bonds, which may not aggregate more than $75 million, are limited obligations of the Board of Investments payable solely from and secured by certain revenues and assets pledged pursuant to an Indenture of Trust. The bonds do not constitute a debt, liability or legal obligation of the State of Montana. However, if the balance in the "Capital Reserve Account A" falls below the indenture requirement, the Governor is required to request the Legislature to appropriate funds to restore the balance. The Legislature may, but is not legally obligated to, appropriate funds to correct any such deficiency. Principal payments (accrued interest to be added) are due each March 15. Series 1985 J ($665,000) and Series 1985 B ($775,000) were recalled on March 15 and December 15, 1988, respectively, without a gain or loss on extinguishment. Series 1985 L ($325,000) was recalled in March 1992, without a gain or loss on extinguishment.

(2) These bonds were issued to obtain funds for the Board of Investments, State of Montana, to purchase the Refunding Bonds of participating Irrigation Districts for the purpose of prepaying the U.S. Department of Interior, Bureau of Reclamation Projects Loans. The Irrigation Bonds and the interest thereon are payable solely from the collection of a special tax or assessment levied against real property in the Irrigation District. The Irrigation Bonds are not obligations of the State of Montana. However, the Irrigation Bonds are limited obligations of the Board of Investments due to an irrevocable pledge to lend money for deposit by the Trustee of the Irrigation District Pooled Loan Program Reserve Account E in an amount equal to any deficiencies therein on any payment date. The indenture does not permit the issuance of additional bonds.

(3) These bonds and notes were issued for the purpose of providing funds for the Board of Investments, State of Montana, to make loans to participating farmers and ranchers under its Conservation Reserve Enhancement Program. The Series 1991 Bonds are not in any way a debt or liability of the State of Montana, and neither the full faith and credit, nor the taxing power of the State of Montana is pledged to the payment of the principal of or interest on the Series 1991 Bonds. However, the 1991 Bonds are limited obligations of the Board of Investments. The Bond Anticipation Notes which matured on November 15, 1992 were reissued to correspond with maturities per the underlying loans.

(4) These bonds were issued for the purpose of providing funds for the Board of Investments, State of Montana, to purchase the general obligation refunding bonds of 16 participating Montana School Districts. The School District Refunding Bonds and the interest thereon are payable from real property taxes levied within the School District. These bonds are limited obligations of the Board of Investments.

Debt service requirements (principal & interest) for EDB are as follows (in thousands):

1994	1995	1996	1997	1998	1999+	Totals
$ 4,567	$4,838	$4,551	$4,501	$3,832	$16,973	$39,262

(3) **Payroll Tax Bonds (Workers' Compensation Program)** - The Board of Investments of the State of Montana issued bonds for the purpose of funding the State's liability and cost in administering and paying claims for injuries resulting from accidents, prior to July 1, 1990, that are subject to the Montana Workers' Compensation Act and the Occupational Disease Act of Montana. The bonds are limited obligations of the State of Montana payable solely from and secured by certain payroll tax revenues collected by the Department of Revenue of the State of Montana.

Program	Series	Amount Issued	Interest Rate (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
Payroll Tax Bonds Workers' Comp. Program	1991	$142,095	4.9-6.875	$2,040	$10,590 (2020)	$ 138,305
Less: Unamortized discount						(1,929)
TOTAL BONDS PAYABLE						$136,376

Debt service requirements (principal & interest) are as follows (in thousands):

1994	1995	1996	1997	1998	1999+	Totals
$11,319	$11,318	$11,321	$11,318	$11,318	$239,040	$295,634

F. **Internal Service Fund** - Certificates of Participation were issued by the State of Montana to provide the funds to purchase the State's telecommunications system as follows (in thousands):

Program	Series	Amount Issued	Interest Rate (%)	Principal Payments FY 1994	Principal Payments In Year of Maturity	Balance June 30, 1993
Certificates of Participation	1988	$6,280	4.75-5.90	$625	$625 (1994)	$ 625

Debt service requirements (principal & interest) for the Certificates are as follows (in thousands):

1994
$ 662

SCHEDULE OF PRINCIPAL REQUIREMENTS TO MATURITY - REFUNDED ISSUE

	1994
1983 Certificates of Participation	$1,600

G. **No-Commitment Debt** - Information is presented below for financing authorities participating in debt issues. The State has no obligation for this debt. Accordingly, these bonds and notes are not reflected in the accompanying financial statements.

(1) **Montana Board of Investments (BOI)** - The (BOI) is authorized to issue industrial revenue bonds to finance projects for qualifying borrowers. Assets and revenues of the borrower are pledged to repay the bonds. The industrial revenue bonds issued by BOI do not constitute a debt, liability, obligation or pledge of faith and credit of the State of Montana. At June 30, 1993 the BOI had issued industrial revenue bonds as follows (in thousands):

Project	Date of Issue	Amount Issued	Amount Outstanding
Butler Creek	July 1985	$ 350	$ 65
Farmers Union	August 1985	3,925	3,925
Montana Progress	December 1985	5,000	2,694
Winter Sports	December 1985	3,200	700
Bozeman Holiday Inn	October 1987	3,950	3,510
Colstrip	October 1989	60,800	60,800
Total		$ 77,225	$ 71,694

(2) **Montana Health Facility Authority (MHFA)** - The MHFA is authorized to issue bonds and notes to finance projects for qualifying health institutions. The obligations issued by MHFA do not constitute a debt, liability, obligation or pledge of faith and credit of the State of Montana. At June 30, 1993, the MHFA had issued bonds and notes as follows (in thousands):

Project	Date of Issue	Amount Issued	Amount Outstanding
West Mont Home Health Services	June 1985	$ 440	$ 289
MHFA 1985 Pooled Loan Projects	December 1985	66,900	38,800
Community Provider Pooled Loans	October 1988	1,461	1,195
St. Peters Community Hospital	March 1989	9,365	8,455
Kalispell Regional Hospital	June 1990	14,475	13,750
Community Provider Pooled Loan	July 1990	5,858	5,522
Deaconess Medical Center (Series A)	February 1991	18,000	18,000
Deaconess Medical Center (Series B)	February 1991	18,000	18,000
Sisters of Providence	May 1991	56,535	54,635
Montana Deaconess Medical Center	June 1991	12,010	11,695
St. Peters Community Hospital	August 1991	7,000	6,620
Deaconess Medical Center	September 1991	32,650	31,850
Deaconess Medical Center	September 1991	7,000	6,275
Community Provider Pooled Loans	September 1991	3,944	3,822
Hospital Pooled Loans	August 1992	4,645	4,645
Richland Opportunities	January 1993	200	198
Bozeman Deaconess Foundation	June 1993	14,900	14,900
Total		$273,383	$238,651

(3) **Beginning Farm Loan Program** - The Montana Department of Agriculture is authorized to request issuance of bonds by the Montana Board of Investments to finance projects for beginning farmers within the State if it appears, after a properly noticed public hearing, that the project is in the public interest of the State. These non-recourse, industrial development revenue bonds do not constitute a debt, liability, or obligation of the State of Montana. The amount issued and outstanding at June 30, 1993, is as follows:

(1) Linger Project - issued $112,200; outstanding $26,618
(2) Jorgensen Project - issued $81,600; outstanding $55,327.

13. INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous transactions between funds to finance operations, provide services, construct assets, service debt, etc. Montana statutes include a provision for interfund loans when the expenditure of an appropriation is necessary and the cash balance in the account from which the appropriation was made is insufficient to pay the expenditure. To the extent that certain transactions between funds are not paid or received as of June 30, 1993, interfund receivables/payables (Due From/To Other Funds) are recorded. The schedule below presents all interfund balances outstanding at June 30, 1993, (in thousands) and interfund activity for the fiscal year then ended:

Funds	Interfund Loans/Advances Receivable	Interfund Loans/Advances Payable	Due From Other Funds	Due To Other Funds	Operating Transfers In	Operating Transfers Out	Residual Equity Transfers In	Residual Equity Transfers Out
General	$ 13,459	$ -	$ 34,233	$ 14,367	$103,422	$123,264	$ 5,352	$ -
Special Revenue								
State	34,507	6,648	24,268	29,888	88,563	66,762	-	3,908
Federal	25	40,263	5,764	10,805	75	5,432	-	10
Debt Service								
Coal Tax Bonds	-	-	17	6	12,016	4,911	-	3,866
Long-Range Bldg.	-	-	27	2,207	14,393	48,912	-	-
Water Development	-	-	4	412	51	412	-	6,348
Hwys Revenue Bonds	-	-	-	30	18,594	-	-	-
Transportation Bldg. Complex	-	-	2	32	584	-	-	-
Airport Bonds	-	-	-	-	-	62	-	143
Renewable Resource	-	-	200	-	-	-	200	-
Capital Projects								
Long-Range Bldg.	-	555	19	9	2	819	-	1,134
Fed/Priv Const. Grants	-	302	-	-	-	-	-	-
Capital Land Grant	-	-	-76	-	1,330	1,304	-	-
Enterprise								
Housing Authority	-	-	217	217	-	-	-	500
State Comp. Ins. - New	-	-	756	808	-	2,509	-	-
State Comp. Ins. - Old	-	-	3,053	757	18,274	883	-	-
Economic Dev. Bonds	-	-	3	9	-	-	-	-
Liquor Stores	-	-	1,852	3,787	-	16,052	-	-
Hail Insurance	-	-	12	17	-	32	-	-
State Lottery	-	-	7	2,959	-	8,875	-	-
Montana Career Info. Sys.	-	-	2	3	-	-	-	-
Prison Ranch	-	-	40	40	-	-	-	-
Subsequent Injury	-	-	-	1	262	-	-	-
Uninsured Employers	-	-	6	17	-	-	-	-
Prison Industries	-	-	139	34	-	-	-	-
Historical Soc. Publications	-	-	-	11	51	-	-	-
W. Yellowstone Airport	-	-	-	3	22	-	-	-
Health Facilities Authority	-	-	1	9	-	-	-	-
Local Govt. Audits	-	140	-	63	92	-	-	-
Local Govt. Accting/Mgmt Systems	-	-	-	10	51	-	-	-
Dept. of Agriculture	-	-	-	1	-	-	-	-
Internal Service								
Highway Equipment	-	-	782	510	-	-	-	-
Employees' Grp. Ben.	-	-	32	18	-	-	-	-
ISD	-	-	1,364	252	121	-	-	-
MSU Group Insurance	-	-	292	9	-	-	-	-
Admin. Insurance	-	-	2	63	-	-	-	-
FWP Equipment	-	-	137	5	161	-	-	-
Motor Pool	-	-	156	11	-	-	-	218
Admin. Prop. & Supply	-	-	170	36	-	-	-	-
Publications & Graphics	30	-	259	48	-	-	-	46
Buildings & Grounds	-	-	6	82	58	-	-	-
Labor Central Services	-	-	-	127	-	-	-	-
Commerce Central Svcs.	4	-	126	84	-	-	-	-
DHES Indirect Cost Pool	30	-	290	96	-	-	-	-
FWP Warehouse Inventory	-	25	11	4	-	-	-	-
Mail & Messenger	-	220	57	14	-	-	-	-
Investment Division	-	-	58	77	-	-	-	-
Aircraft Operations	-	-	24	2	-	-	-	-
Justice Legal	-	-	78	25	-	-	-	-
OPI Central Services	-	-	31	87	365	-	-	-
Personnel Training	-	-	5	10	-	-	-	-
Records Management	-	40	36	13	-	-	-	20
FWP Office Supply	-	-	1	5	-	-	-	-
DHES Legal	-	30	19	9	-	-	-	-
Bad Debt	-	-	2	10	-	-	-	-

Funds	Interfund Loans/Advances Receivable	Interfund Loans/Advances Payable	Due From Other Funds	Due To Other Funds	Operating Transfers In	Operating Transfers Out	Residual Equity Transfers In	Residual Equity Transfers Out
Admin. Legal	-	-	-	3	-	-	-	-
Local Govt Admin. Services	-	-	7	7	-	-	-	-
Statewide Fueling Network	-	30	-	-	-	-	-	-
PSC Audit Reimbursements	-	-	1	1	-	-	-	-
Expendable Trusts								
L & I Comp Insurance	-	-	1	-	-	-	-	-
BN Geraldine Settlement	-	-	-	-	3	-	-	-
Rural Development	-	-	1	3	-	-	-	-
Historical Soc. Gen.	-	-	1	-	-	5	-	-
Woodville Highway Replacement	-	-	1	-	-	-	-	-
Rural Physician Trust	-	-	5	5	-	-	-	-
Nonexpendable Trusts								
Coal Tax Trust	-	-	33	13,077	6,977	56,144	10,641	-
Land Grants	-	-	179	8,360	-	45,803	-	-
Resource Indemnity	-	-	14	2,172	-	8,806	-	-
Parks Trust	-	-	2	151	-	1,302	-	-
Cultural, Aesthetic Trust	-	-	2	176	-	970	-	-
Real Property	-	-	350	53	-	369	-	-
Noxious Weed Management	-	-	8	-	-	466	-	-
Moore Sipple Connector	-	-	1	-	-	3	-	-
Thomas Teakle Trust	-	-	-	2	-	3	-	-
Pension Trusts								
PERS	-	-	2,636	2,027	1,503	-	-	-
Teachers	-	-	661	38	1,587	-	-	-
Municipal Police	-	-	1,916	25	141	-	-	-
Firefighters Unified	-	-	3,665	21	123	-	-	-
Sheriffs	-	-	7	17	21	-	-	-
Highway Patrol	-	-	101	11	64	-	-	-
Judges	-	-	66	2	19	-	-	-
Game Wardens	-	-	36	4	20	-	-	-
Volunteer Firefighters	-	-	653	16	18	-	-	-
Agency -								
Investment Pool	-	-	-	1,060	-	-	-	-
Employees Defer. Comp	-	-	54	-	-	-	-	-
Land Grant Interest	-	-	-	1	-	-	-	-
Performance Deposits	220	-	32	41	-	-	-	-
Central Payroll	-	-	20,083	3	-	-	-	-
Custodial Accounts	-	-	31	33	-	-	-	-
Unissued Warrants	-	-	30	1,589	-	-	-	-
Child Support Collections	-	-	8	647	-	-	-	-
Unclaimed Property	-	-	-	98	-	-	-	-
Intergovernmental	-	22	72	25	-	-	-	-
A & E Advances	-	-	1	2	-	-	-	-
Uncleared Collections	-	-	9	8,223	-	-	-	-
Bad Debts	-	-	2	4	-	-	-	-
Higher Education								
Current Funds								
General Operating	1,200	-	1,811	3,507	122,908	990	-	-
Designated	-	-	2,518	1,110	417	1,842	2	-
Auxiliary	-	-	422	759	751	8,468	-	-
Restricted	-	1,200	1,426	1,944	341	218	-	2
Fiduciary								
Student Loans	-	-	6	64	5	6	-	-
Endowments	-	-	-	-	-	1	-	-
Agency	-	-	3,729	2,266	-	-	-	-
Plant								
Unexpended	-	-	194	95	5,250	3,005	-	-
Renewal & Replacement	-	-	443	181	6,888	620	-	-
Retirement of Indebtedness	-	-	173	105	10,271	6,544	-	-
Totals	$ 49,475	$ 49,475	$116,027	$116,027	$415,794	$415,794	$ 16,195	$ 16,195

14. FUND DEFICITS

The following funds have a deficit fund balance/retained earnings found on the operating statements for June 30, 1993, (in thousands):

Capital Projects Fund Type	Amount
Federal/Private Const. Grants	(332)
Enterprise Fund Type	
State Comp. Ins. (New Fund)	(37,627)
State Comp. Ins. (Old Fund)	(497,436)
Department of Agriculture	(176)
Internal Service Fund Type	
Administration Insurance	(11,355)
Records Management	(98)
FWP Office Supply	(11)
DHES Legal	(12)
Administration - Legal	(11)
Local Government Admin	(27)
Higher Education Fund Type	
General Operating Subfund	(12,829)

The deficit retained earnings in the new and old State Compensation Insurance Fund in the Enterprise Fund and the Administration Insurance Fund in the Internal Service Fund are due to recording the expense for estimated claims including claims incurred but not reported. Refer to Notes 7 and 9 for further discussion of these funds. The deficit fund balance in the General Operating Subfund of the Higher Education Fund is due to the expense associated with the recording of compensated absences.

15. PROPRIETARY AND NONEXPENDABLE TRUST RESERVED BALANCES

The Proprietary Fund Type retained earnings are reserved as follows (in thousands): Enterprise Fund - Reserved for Debt Service $77,445 and Reserved for Future Claims $1,893; Internal Service Fund - Reserved for Employees Benefits $16,992.

The Coal Tax Trust reserved fund balance in the Nonexpendable Trust Fund consists of the following (in thousands): Permanent Coal Tax Trust $509,308 and the School Bond Contingency Fund $2,167. All other Nonexpendable Trust Fund balances, $434,299, are Reserved for Trust Principal.

16. SEGMENT INFORMATION

Selected financial information concerning all enterprise operations for the fiscal year ended June 30, 1993, is as follows (in thousands):

	Housing Authority	St. Comp. Insurance (New Fund)	St. Comp. Insurance (Old Fund)	Economic Development Bonds
Operating Revenues:				
Charges for Services	$ 71	$ 32	$ -	$ 49
Investment Earnings	50,531	10,109	1,122	3,128
Contrib./Premuims	-	169,993	889	-
Taxes	-	-	-	-
Other Revenues	2	46	11	-
Operating Expenses:				
Depreciation	13	172	-	2
Amortization	10	34	-	-
Other	49,744	160,843	17,764	3,409
Operating Income (Loss)	837	19,131	(15,742)	(234)
Nonoperating Revenues (Expenses)	(1,924)	-	-	(3)
Oper. Trans. In (Out)	-	(2,509)	17,391	-
Net Income (Loss)	$ 1,087	$ 16,622	$ (1,649)	$ (237)
Current Assets	$ 14,140	$ 96,817	$ 7,902	$ 3,864
Current Liabilities	(6,926)	(21,934)	(1,531)	(1,424)
Net Working Capital	$ 7,214	$ 74,883	$ 6,371	$ 2,440
Total Assets	$579,164	$ 293,330	$ 18,720	$ 44,087
Total Liabilities	$511,359	$ 318,959	$ 516,156	$ 42,453
Fund Equity	$ 67,805	$ (25,629)	$(497,436)	$ 1,634
Long-Term Obligations	$504,433	$ 297,025	$ 514,625	$ 41,029
Cur. Yr. Capital Cont.	$ -	$ (13)	$ -	$ -
Acquisition of Fixed Assets	$ -	$ 207	$ -	$ -
Disposal of Fixed Assets	$ -	$ 19	$ -	$ -

	Liquor Stores	Hail Insurance	State Lottery	Other* Enterprise	Total Enterprise
Operating Revenues:					
Charges for Services	$ 40,183	$ -	$ 36,769	$ 5,289	$ 82,393
Investment Earnings	-	146	107	195	65,338
Contrib./Premuims	-	2,016	-	19	172,917
Taxes	10,580	-	-	-	10,580
Other Revenues	63	-	-	1,432	1,554
Operating Expenses:					
Depreciation	78	1	114	327	707
Amortization	-	-	3	6	53
Other	34,517	1,662	27,884	6,299	302,122
Operating Income (Loss)	16,231	499	8,875	303	29,900
Nonoperating Revenues (Expenses)	(9)	-	(1)	924	(1,013)
Oper. Trans. In (Out)	(16,052)	(32)	(8,875)	478	(9,599)
Net Income (Loss)	$ 170	$ 467	$ (1)	$ 1,705	$ 19,288
Current Assets	$ 10,400	$ 5,951	$ 5,471	$ 10,462	$ 155,007
Current Liabilities	(8,939)	(1,245)	(5,541)	(619)	(48,159)
Net Working Capital	$ 1,461	$ 4,706	$ (70)	$ 9,843	$ 106,848
Total Assets	$ 11,826	$ 5,956	$ 5,680	$ 16,130	$ 974,893
Total Liabilities	$ 9,227	$ 1,748	$ 5,679	$ 1,918	$1,407,499
Fund Equity	$ 2,599	$ 4,208	$ 1	$ 14,212	$ (432,606)
Long-Term Obligations	$ 288	$ 503	$ 138	$ 1,299	$1,359,340
Cur. Yr. Capital Cont.	$ -	$ -	$ -	$ 209	$ 196
Acquisition of Fixed Assets	$ 103	$ -	$ 89	$ 495	$ 894
Disposal of Fixed Assets	$ 11	$ -	$ 2	$ 49	$ 81

1. The Housing Authority provides financing to qualified individuals to purchase residential housing by issuing bonds and carrying federally insured mortgage notes.

2. State Compensation Insurance (New Fund) provides benefit payments to workers injured after June 30, 1990, and accounts for employer contributions to the fund (See Notes 9 and 14).

3. State Compensation Insurance (Old Fund) provides benefit payments to workers injured prior to July 1, 1990 (See Notes 9 and 14).

4. The Economic Development Bond Program, administered by the Board of Investments, assists Montana's small businesses and local governments in obtaining long-term, fixed-rate financing through private Montana lending institutions.

5. The Liquor Division of the Department of Revenue administers the State liquor operations (Liquor Stores). This fund accounts for liquor licensing activities and the sale and distribution of alcoholic beverages.

6. The Hail Insurance fund provides benefit payments to producers for crop acreage insured and accounts for premium assessments paid (See Note 9).

7. The State Lottery accounts for the operations of Montana's lottery which began in June 1988.

* Other Enterprise is composed of the following funds (listed by administering agency):

Department of Agriculture
Department of Agriculture

Department of Commerce
Health Facilities Authority
Local Government Audits
Local Government Accounting and Management System

Department of Transportation
West Yellowstone Airport

Fish, Wildlife and Parks
FWP Snowgroomer Rental

Montana Historical Society
Historical Society Publications

Department of Labor and Industry
Subsequent Injury
Uninsured Employers

Commissioner of Higher Ed.
Montana Career Infor. System

Department of Corrections and Human Services
Prison Ranch\Industries
Women's Prison Industries
Swan River Vocational Training

17. CONTRIBUTED CAPITAL

During fiscal year 1993, contributed capital changed by the following amounts (in thousands):

	ENTERPRISE FUND	INTERNAL SERVICE FUND
Begin. Bal. - July 1, 1992	$ 14,983	$ 4,925
Additions:		
Contrib. Capital Transfers-in	214	1,990
Deletions:		
Contrib. Capital Transfers-out	(18)	(1,065)
Ending Bal. - June 30, 1993	$ 15,179	$ 5,850

18. NONEXPENDABLE TRUST FUNDS' INVESTMENT INCOME

Investments are recorded in Nonexpendable Trust Funds using the full accrual basis of accounting. However, certain investment earnings attributable to these trusts are transferred elsewhere, as summarized below:

Nonexpendable Trust Fund	Reporting of Investment Earnings
Coal Tax Trust	Permanent Trust Accounting Entities - Investment Earnings are distributed eighty-five percent to the General Fund and fifteen percent to the Public School Equalization Account in the Special Revenue Fund for fiscal year 1993. Clean Coal Tax Technology Trust Investment earnings are distributed one hundred percent to General Fund. In 1993 the Clean Coal Tax Trust received no transfers of trust funds and yielded no earnings.
Resource Indemnity	Resource Indemnity Investment earnings are distributed to the State Special Revenue Fund as follows: $175,000 to the Environmental Contingency Account and $50,000 to the Oil and Gas Damage Mitigation Account; the remaining investment earnings are distributed thirty percent to the Water Development Account, twelve percent to the Hazardous Waste/CERCLA Account, eight percent to the Renewable Resource Development Account, forty-six percent to the Reclamation and Development Grants Account, and four percent to the Environmental Quality Protection Account.

Parks Trust	Investment earnings are distributed to the State Special Revenue Fund for the maintenance of parks by the Department of Fish, Wildlife and Parks.
Cultural Aesthetic Trust	Investment earnings are distributed to the Special Revenue Fund for cultural and aesthetic projects administered by the Montana Arts Council.
Land Grants	Ninety-four percent of investment earnings are transferred to the State Special Revenue Fund for the Office of Public Instruction to distribute to public schools; five percent is distributed to Higher Education Units (Current and Plant Funds); and one percent to the Department of Corrections & Human Services (General Fund and State Special Revenue Fund).
Real Property	Investment earnings are transferred to the State Special Revenue Fund for use by the Department of Fish, Wildlife and Parks to operate, maintain and develop its real property.
Noxious Weed Management	Investment earnings are transferred to the State Special Revenue Fund for noxious weed management projects.
Thomas Teakle	Investment earnings are transferred to the State Special Revenue Fund for the Montana Historical Society's library acquisitions.

19. RELATED PARTY TRANSACTIONS

The Montana Board of Regents, a Department within the State, has guaranteed approximately $284.6 million in student loans. About 70% of these loans are owned by the Montana Higher Education Student Assistance Corporation (MHESAC), a private non-profit corporation. The Board of Regents and MHESAC have common board members. MHESAC owns the building which houses the Commisioner of Higher Education. The State pays MHESAC rent as well as its share of various costs such as personnel costs for employees of MHESAC who perform services that are of direct benefit to the State; equipment leases; computer maintenance costs and supplies. MHESAC employees are allowed to participate in the MUS Group Insurance. The State provides certain services to MHESAC such as telephones, postage and computer supplies which is reimbursed to the State. For fiscal year 1993, the total expenditures between MHESAC and the State was not available.

20. CONTINGENCIES

A. Litigation - The State is party to legal proceedings, which normally occur in government operations. The legal proceedings are not, in the opinion of the State's legal council and the Department of Administration, likely to have a material adverse impact on the State's financial position, except where listed below.

The Crow Tribe filed suit in 1978 in federal district court seeking a declaration that Montana's coal severance and gross proceeds taxes are invalid as applied to the production of coal on the Crow Reservation and to the production of coal owned by the Tribe located in an off-reservation area, known as the "Crow ceded area" or "ceded strip", which lies roughly between the northern boundary of the reservation and the Yellowstone River. The amount of coal reserves falling within these categories has not been precisely determined. The taxes were alleged to be invalid under a variety of theories, of which the most prominent were that the state taxes conflict with federal policy by preventing the marketing of Crow coal and infringe on tribal sovereignty by depriving the Tribe of revenue needed to provide governmental services to the Crow people. In addition to a declaration that the taxes were invalid, the Tribe sought restitution for an amount equal to the severance and gross proceeds taxes paid by Westmoreland Resources, Inc. (Westmoreland), the only company currently mining coal claimed by the Tribe, together with the interest which accrued to the Coal Severance Tax Trust Fund on the amount of taxes paid.

In January 1983, the court ordered Westmoreland's future severance tax payments placed in escrow pending the outcome of the litigation. The State has received no severance tax payments from Westmoreland with respect to the coal mined on the ceded strip since the entry of this order. Prior to 1983, Westmoreland's annual severance tax payments varied from a low of $5.407 million in 1976 to a high of $7.078 million in 1979.

In June 1987, the Ninth Circuit Court of Appeals ruled that Montana is preempted from applying its severance and gross proceeds taxes on coal within the ceded strip held in trust for the Crow Tribe and on coal mined on the reservation. In August 1987, the State docketed an appeal of the decision to the United States Supreme Court, and in January 1988, that Court summarily affirmed the Court of Appeals' judgment.

As a result of the Supreme Court's affirmance, two principal issues remained in the case, one of which has been resolved. The first issue involved the appropriate disposition of the escrowed moneys, to which the State disclaimed any interest after the Supreme Court's decision. The district court concluded in September 1988 that these moneys should be paid to the United States in trust for the Tribe. The escrowed funds totaling $30.1 million were distributed in May 1989 to the United States.

The second issue, which remains to be resolved, is the Tribe's claim for tax moneys paid by Westmoreland to the State but not escrowed and Westmoreland's claim for the same amounts. The State requested summary judgment with respect to the Tribe's claim for the nonescrowed moneys in November 1989, but its motion was denied in December 1990. The State thereafter sought certification from the District Court to appeal such denial pursuant to 28 USC Section 1292(b), and certification was granted by the Ninth Circuit in July 1991. However, in July 1992 the Court of Appeals determined that leave to appeal had been improvidently granted and dismissed the appeal. The State believes its defenses to the Tribe's restitution claim have merit, but the issues are novel and their resolution cannot be predicted with certainty.

The sum of all the nonescrowed coal severance tax moneys, exclusive of interest, is approximately $48 million. If interest on such moneys is eventually awarded, their amount will increase substantially. The Tribe estimates the State's liability for interest with respect to the coal severance tax amounts at approximately $188.5 million as of December 31, 1992. If the State is eventually held liable for paying interest, the actual amount will depend upon the interest rate judged appropriate and the time period over which it is calculated. Consequently, in the event the State is held liable for paying the interest, the actual amount may vary significantly from the Tribe's estimate.

In May 1989, the U.S. Supreme Court decided in Davis v. Michigan that a state may not discriminate in the taxation of members of a federal as opposed to a state retirement system. Subsequently, Sheehy et al., v. State of Montana, Department of Revenue was filed in Montana District Court. The action seeks refunds of state income taxes paid on federal retirement benefits. In addition to the law suit, approximately 6,005 claims for a refund have been filed by federal retirees with the Montana Department of Revenue. In July 1990, the District Court denied the plaintiffs' requests for refunds. That decision was appealed to the Montana Supreme Court. On November 14, 1991, the Montana Supreme Court issued an opinion affirming the decision of the District Court. The taxpayers have petitioned the U. S. Supreme Court to grant certiorari. The U. S. Supreme Court accepted Harper v. Virginia for review which involved the same issues as in the Sheehy case. On June 18, 1993, the Supreme Court reversed the Supreme Court of Virginia and remanded it back to them for further proceedings. The Supreme Court did not order the payment of any refunds to federal retirees. They held that the issue of whether a taxpayer is entitled to a refund is an issue of state law as long as the state provides a remedy which satisfies the requirements of federal due process. On June 28, 1993, the Supreme Court granted certiorari in Sheehy and remanded the case to the Montana Supreme Court for further consideration in light of the Harper decision. The State believes that its remedies meet the federal requirements. The State estimates the total amount of taxes subject to refund is approximately $20 million including interest.

On May 28, 1991, a suit challenging the validity of Senate Bill 226 enacted by the 1991 legislature was filed in state district court in Helena. SB 226 reinstates state income tax on federal retirees who had not been paying the tax for two years as a result of the Davis decision and imposes a like tax on State retirees. On August 19, 1992, the state district court ruled against the plaintiffs. They appealed on September 18, 1992. Briefs by all parties have been filed in the Montana Supreme Court, and oral arguments were heard on April 28, 1993. The State estimates the total taxes subject to refund are approximately $12 million.

B. Federal Contingencies:

Federal Financial Assistance - The State receives federal financial assistance for specified purposes which are subject to review and audit in accordance with the Single Audit Act of 1984. Any disallowances resulting from these audits would become the liability of the State. There are no disallowances reported as of June 30, 1993.

USDA Food Stamp Coupons/Commodities - The State no longer has custodial responsibility for USDA food stamps coupons. The Department of Social and Rehabilitation Services has contracted with Sacramento Services Development Corporation (SSDC) in Sacramento, California to mail-issue 100% of all food stamps. SSDC is responsible for the storage of all food stamp coupons and the State has no liability. In fiscal year 1993, Montana issued $53,846,165 in food stamp coupons.

In fiscal year 1993, the State distributed $6,997,201 in commodities. The value at June 30, 1993, of commodities stored in the State's warehouse is $2,214,866 for which the State is liable in the event of loss.

Social Security - The Social Security Administration (SSA) has assessed the State for the alleged failure to withhold and forward social security contributions for part-time employees for the years 1984-1986. The matter has been fully submitted for a final administrative decision. The amount at issue is estimated to be $2.5 million plus interest of approximately $1 million which continues to accrue at a rate of 6% per annum. Of the principal amount, $720,000 is estimated to be the initial liability of state government central payroll; a proportional amount of the interest figure provided would be the State's responsibility. The balance of the amount owing is the initial responsibility of various political subdivisions. The portion of that amount that the state might have to pay (because of the current nonexistence of some of those political subdivisions) should not be substantial, approximately $5,000.

Gain Contingencies - Certain natural resource and corporation tax assessments are not reported on the State's financial statements because they are being protested administratively. As of June 30, 1993, the following assessments (by fund type) were outstanding (in thousands):

Taxes	General	Special Revenue	Debt Service	Nonexpendable Trust
Corporation	$ 2,286	$ 1,068	$ 393	$ -
Coal Severance	3,897	2,991	135	7,204
Metal Mines	662	302	-	177
Oil & Gas	2,076	-	-	-
Resource Indemnity	-	-	-	375
Totals	$ 8,921	$ 4,361	$ 528	$ 7,756

Collectibility of these contingencies is dependent upon the decisions of the court, other authorities, or agreed upon settlements.

21. SUBSEQUENT EVENTS

On July 1, 1993, the Board of Investments issued $118,345,000 in Resource Recovery Revenue Bonds, Series 1993, (Yellowstone Energy Limited Partnership Project). The assets and revenues of the borrower are pledged to repay the bonds. These bonds therefore do not constitute a debt or liability of the State of Montana.

On August 14, 1993, The Board of Investments issued an INTERCAP Promissory Note for $636,803 to the Board of Regents to cover cost of repairs on the Swimming Pool/Gymnasium at Northern Montana College which will be paid by student fees.

The State issued $3,185,000 in General Obligation Long-Range Building Program Bonds on September 15, 1993, for building construction.

The State issued $750,000 in General Obligation Renewable Resource Bonds on September 15, 1993 for the Renewable Resource Loan Program.

On September 23, 1993, the Board of Regents authorized the Montana State University to proceed with the issuance of approximately $26,000,000 in Series Revenue Bonds. The proceeds from the sale of the Series 1993 Bonds, together with certain funds and monies of the University, will provide funds for advance refunding, restructuring and defeasing certain outstanding revenue bonded indebtness of the Montana State University, and will be used for the acquisition, construction, repair, replacement, renovation, improvement, furnishing and equipping of certain facilities at and for the Montana State University.

On October 6, 1993, the State issued $88,900,000 in Tax and Revenue Anticipation Notes, Series 1993, due June 30, 1994. The proceeds of the Notes will provide cash to support expenditures from the general fund, pending the receipt of taxes and revenues, for the fiscal year ending June 30, 1994.

On October 20, 1993, the University of Montana issued $48,050,00 in Series 1993 Revenue Bonds. The proceeds from the sale of the Series 1993 Bonds, together with certain funds and monies of the University, will provide funds for advance refunding, restructuring and defeasing certain outstanding revenue bonded indebtness of the University of Montana, and will be used for the acquisition, construction, repair, replacement, renovation, improvement, furnishing and equipping of certain facilities at and for the University of Montana including it's campus at Western Montana College.

On October 27, 1993, the Board of Investments issued $32,500,000 in Variable Rate Payroll Tax Bonds (Workers' Compensation Program Series 1993). The Series 1993 Bonds are limited obligations of the State of Montana, payable solely from and secured by certain payroll tax revenues.

On November 10, 1993 the Department of Natural Resources and Conservation will issue $550,000 in Bond Anticipation Notes for the State Revolving Program.

In light of the U.S. Supreme Court's decision in the Sheehy case (See Note 20A) the Governor authorized the payment of refunds to individuals for taxes owed in 1989. This amounted to approximately $6 million. The remaining $14 million will be paid when money is available and authorized by the legislature when it meets in special session in November 1993. The $6 million payment reduces the ending fund balance in each of the following funds as follows (in thousands): General Fund $3,768; State Special Revenue Fund $1,710; and Debt Service Fund $522.

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Montana

Main Hall - UM

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS/SCHEDULES

The financial statements that follow provide detailed information on the financial position and results of operations, by fund, for each fund type. Budget basis schedules provide comparisons of the legally established budget with actual data on the budgetary basis for expenditures/expenses and transfers out. These schedules were compiled from the Statewide Budgeting and Accounting System (SBAS).

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GENERAL FUND

The General Fund is used to account for all governmental financial resources except those required to be accounted for in another fund.

STATE OF MONTANA
Comparative Balance Sheet
General Fund
June 30, 1993
(Expressed in Thousands)

	TOTALS - June 30	
	1993	1992
ASSETS:		
Cash/Cash Equivalents	$ 19,908	$ 13,312
Receivables (Net)	61,928	58,017
Interfund Loans Receivable	7,439	37,604
Due from Other Governments	39	37
Due from Other Funds	34,233	33,456
Inventories	2,340	2,805
Long-Term Notes/Loans Receivable	16	23
Advances to Other Funds	6,020	690
Other Assets	675	1,151
TOTAL ASSETS	$ 132,598	$ 147,095
LIABILITIES/FUND BALANCE:		
Liabilities:		
Accounts Payable	$ 48,174	$ 41,822
Interfund Loans Payable	-	46,000
Due to Other Governments	2,873	1
Due to Other Funds	14,367	14,799
Deferred Revenue	16,545	14,331
Property Held in Trust	243	138
Other Liabilities	1	1
Total Liabilities	82,203	117,092
Fund Balance:		
Reserved For:		
Encumbrances	549	1,999
Inventories	2,339	2,805
Advances to Other Funds	6,020	690
Long-Term Loans	16	23
Unreserved	41,471	24,486
Total Fund Balance	50,395	30,003
TOTAL LIABILITIES/FUND BALANCE	$ 132,598	$ 147,095

STATE OF MONTANA
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	TOTALS YEAR ENDED JUNE 30	
	1993	1992
REVENUES:		
Licenses/Permits	$ 25,752	$ 22,669
Taxes:		
Gas/Oil/Coal Production	31,660	26,440
Individual Income	226,868	175,867
Corporate Income	51,307	32,052
Property	402	297
Other	63,950	57,631
Charges for Services/Fines/Forfeits	20,976	21,429
Investment Earnings	12,919	16,400
Sale of Documents/Merchandise/Property	239	160
Rentals/Leases/Royalties	133	197
Grants/Contracts/Donations	4	-
Federal	180	199
Federal Indirect Cost Recoveries	213	338
Other Revenues	2,974	492
Total Revenues	437,577	354,171
Intrafund Revenues	(177)	(25)
Net Revenues	437,400	354,146
EXPENDITURES:		
Current:		
General Government	64,870	60,103
Public Safety/Corrections	52,708	47,923
Transportation	415	449
Health/Social Services	195,812	176,940
Education/Cultural	61,032	61,128
Resource Development/Recreation	15,055	18,833
Economic Development/Assistance	3,304	3,691
Debt Service:		
Principal Retirement	1,357	871
Interest/Fiscal Charges	3,866	2,789
Capital Outlay	3,076	4,856
Total Expenditures	401,495	377,583
Intrafund Expenditures	(177)	(25)
Net Expenditures	401,318	377,558
Excess of Revenues Over (Under) Expenditures	36,082	(23,412)
OTHER FINANCING SOURCES (USES):		
Bond Proceeds	457	169
Inception of Lease/Installment Contract	205	1,149
General Fixed Asset Sale Proceeds	52	38
Operating Transfers In	103,422	96,167
Operating Transfers Out	(123,264)	(144,457)
Total Other Financing Sources (Uses)	(19,128)	(46,934)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	16,954	(70,346)
Cum Eff of Chg in Acctg Prin.	-	30,885
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses After Cumulative Effect	16,954	(39,461)
FUND BALANCE - July 1 - As Previously Reported	30,003	64,081
Prior Period Adjustments	(1,448)	1,860
FUND BALANCE - July 1 - As Restated	28,555	65,941
Increase (Decrease) in Inventories	(466)	(357)
Residual Equity Transfers	5,352	3,880
FUND BALANCE - JUNE 30	$ 50,395	$ 30,003

STATE OF MONTANA
Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - General Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
LEGISLATIVE AUDITOR				
Audit & Examination Program	$ 1,267	$ -	$ 1,257	$ 10
Total Agency	$ 1,267	$ -	$ 1,257	$ 10
LEGISLATIVE FISCAL ANALYST				
Analysis and Review	943	-	843	100
Total Agency	$ 943	$ -	$ 843	$ 100
LEGISLATIVE COUNCIL				
Legislative Council Feed Bill	860	-	588	272
Interim Studies & Conferences	441	-	79	362
Legislative Council	1,979	-	1,833	146
Legislative Council	-	2	2	-
Total Agency	$ 3,280	$ 2	$ 2,502	$ 780
LEGISLATURE-SENATE				
Legislature - Senate	2,117	-	1,515	602
Total Agency	$ 2,117	$ -	$ 1,515	$ 602
LEGISLATURE-HOUSE				
Legis. House of Representativ	2,996	-	2,407	589
Total Agency	$ 2,996	$ -	$ 2,407	$ 589
ENVIRONMENTAL QUALITY COUNCIL				
Environmental Quality Program	279	-	264	15
Total Agency	$ 279	$ -	$ 264	$ 15
JUDICIARY				
Supreme Court Operations	1,514	-	1,509	5
Boards and Commissions	231	-	223	8
Law Library	724	-	712	12
District Court Operations	2,847	-	2,832	15
Clerk of Court	168	-	167	1
District Court Reimbursement	3,390	-	1,935	1,455
HB 903 Automation	84	-	84	-
Total Agency	$ 8,958	$ -	$ 7,462	$ 1,496
GOVERNORS OFFICE				
Executive Office Program	1,009	-	997	12
Mansion Maintenance Program	67	-	62	5
Air Transportation Program	78	-	70	8
Office of Bdget & Pgm Planning	875	-	866	9
Lt. Governor	152	-	150	2
Citizens Advocate Office	56	-	55	1
Mental Dis Bd Visitors	139	-	139	-
Total Agency	$ 2,376	$ -	$ 2,339	$ 37
SECRETARY OF STATES OFFICE				
Business & Government Services	1,818	-	1,481	337
Total Agency	$ 1,818	$ -	$ 1,481	$ 337

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - General Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
COMMISSIONER OF POLITICAL PRAC				
Administration	$ 146	$ -	$ 146	$ -
Total Agency	$ 146	$ -	$ 146	$ -
STATE AUDITORS OFFICE				
Central Management	291	-	289	2
State Payroll	223	-	219	4
Insurance	958	-	952	6
Securities	363	-	357	6
Fiscal Control and Management	551	-	549	2
Total Agency	$ 2,386	$ -	$ 2,366	$ 20
OFFICE OF PUBLIC INSTRUCTION				
OPI Administration	3,105	-	3,100	5
OPI Administration	-	435	365	70
Distribution to Public Schools	42,985	-	42,980	5
Distribution to Public Schools	-	19,900	-	19,900
Total Agency	$ 46,090	$ 20,335	$ 46,445	$ 19,980
CRIME CONTROL DIVISION				
Justice System Support Service	476	-	471	5
Total Agency	$ 476	$ -	$ 471	$ 5
HIGHWAY TRAFFIC SAFETY				
Highway Traffic Safety Div	183	-	180	3
Total Agency	$ 183	$ -	$ 180	$ 3
DEPARTMENT OF JUSTICE				
Legal Services Division	2,486	-	2,480	6
Motor Vehicle Division	5,722	-	5,627	95
Highway Patrol Division	214	-	214	-
Law Enforcement Services Div	1,102	-	1,077	25
County Attorney Payroll	1,287	-	1,286	1
Law Enforcement Academy Div	622	-	616	6
Central Services Division	186	-	173	13
Data Processing Division	891	-	880	11
Extradition & Transp Prisoners	224	-	164	60
Forensic Science Division	872	-	869	3
Total Agency	$ 13,606	$ -	$ 13,386	$ 220
PUBLIC SERVICE REGULATION				
Public Service Regulation Prog	2,160	-	2,143	17
Total Agency	$ 2,160	$ -	$ 2,143	$ 17
BOARD OF PUBLIC EDUCATION				
Administration	134	-	134	-
Total Agency	$ 134	$ -	$ 134	$ -
COMMISSIONER OF HIGHER ED				
Administration Program	1,024	-	1,018	6
Student Assistance Program	4,788	-	4,783	5
Community College Assistance	3,907	-	3,900	7
Talent Search	82	-	82	-
Vo-Tech Approp. Distrib.	$ -	$ 8,044	$ 8,044	$ -
C.D. Perkins Admin	81	-	73	8

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - General Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
COMMISSIONER OF HIGHER ED				
Appropriation Distribution	-	99,754	99,754	-
Board of Regents-Admin	30	-	30	-
B of R Bond Payments	698	-	698	-
Votech Center Admin.	101	-	100	1
Total Agency	$ 10,711	$ 107,798	$ 118,482	$ 27
SCHOOL FOR THE DEAF & BLIND				
Administration Program	240	-	240	-
General Services Program	277	-	277	-
Student Services	811	-	811	-
Education	1,433	-	1,433	-
Total Agency	$ 2,761	$ -	$ 2,761	$ -
MONTANA ARTS COUNCIL				
Promotion of the Arts	19	-	18	1
Total Agency	$ 19	$ -	$ 18	$ 1
LIBRARY COMMISSION				
State Library Operations	1,103	-	1,093	10
Natural Resource Info Services	2	-	2	-
Total Agency	$ 1,105	$ -	$ 1,095	$ 10
HISTORICAL SOCIETY				
Administration Program	510	-	505	5
Library Program	429	-	428	1
Museum Program	214	-	213	1
Publications	-	51	51	-
Historical Sites Preservation	54	-	54	-
Total Agency	$ 1,207	$ 51	$ 1,251	$ 7
DEPT OF FISH, WILDLIFE & PARKS				
Parks Division	385	-	385	-
Total Agency	$ 385	$ -	$ 385	$ -
DEPT HEALTH & ENVIRON SCIENCES				
Director's Office	161	-	160	1
Central Services	517	-	516	1
Environmental Sciences	362	-	348	14
Solid/Hazardous Waste	177	-	135	42
Water Quality	364	-	320	44
Health Services/Medical Fac	885	-	871	14
Family/MCH Bureau	813	-	810	3
Preventive Health Bureau	95	-	89	6
Health Facilities Division	490	-	470	20
Total Agency	$ 3,864	$ -	$ 3,719	$ 145
DEPARTMENT OF TRANSPORTATION				
Rail & Transit Program	392	-	316	76
Total Agency	$ 392	$ -	$ 316	$ 76
DEPARTMENT OF STATE LANDS				
Central Management Program	$ 1,464	$ -	$ 1,438	$ 26
Reclamation Program	241	-	240	1

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - General Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF STATE LANDS				
Land Administration Pgm	831	-	829	2
Forestry	7,983	-	7,802	181
Total Agency	$ 10,519	$ -	$ 10,309	$ 210
DEPARTMENT OF LIVESTOCK				
Centralized Services Program	13	-	13	-
Diagnostic Laboratory Program	116	-	115	1
Milk & Egg Program	157	-	155	2
Meat Inspection Program	285	-	267	18
Total Agency	$ 571	$ -	$ 550	$ 21
DEPT NAT RESOURCE/CONSERVATION				
Centralized Services	1,323	-	1,321	2
Conservation/Resource Dev Div	38	-	17	21
Water Resources Division	2,485	-	2,485	-
Reserved Water Rights Comp Com	142	-	132	10
Energy Division	480	-	480	-
Total Agency	$ 4,468	$ -	$ 4,435	$ 33
DEPARTMENT OF REVENUE				
Directors Office	775	-	775	-
Centralized Services Division	762	-	760	2
Data Processing Division	931	-	928	3
Income Tax	3,998	-	3,981	17
Corporation Tax	1,220	-	1,218	2
Property Valuation	33,020	-	31,875	1,145
Total Agency	$ 40,706	$ -	$ 39,537	$ 1,169
DEPARTMENT OF ADMINISTRATION				
Director's Office	363	-	346	17
Governor Elect Program	50	-	29	21
Accounting Program	4,966	-	4,942	24
Accounting Program	-	45,402	14,745	30,657
Procurement & Printing Div.	436	-	428	8
Information Services Division	300	-	300	-
General Services Program	314	-	266	48
State Personnel Division	900	-	890	10
State Tax Appeal Board	339	-	325	14
Total Agency	$ 7,668	$ 45,402	$ 22,271	$ 30,799
LONG RANGE BUILDING PLAN				
University System	791	-	82	709
Total Agency	$ 791	$ -	$ 82	$ 709
DEPARTMENT OF AGRICULTURE				
Central Management Division	190	-	190	-
Ag & Bio Sciences Division	123	-	122	1
Plant Industry Division	488	-	481	7
Agricultural Development	188	-	176	12
Total Agency	$ 989	$ -	$ 969	$ 20
DEPT. CORRECTIONS & HUMAN SER				
Central Operations	$ 2,074	$ -	$ 2,005	$ 69
Corrections Systems	28,081	-	27,617	464
Mental Health System	33,193	-	33,160	33

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - General Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPT. CORRECTIONS & HUMAN SER				
Chemical Dependency System	535	-	470	65
Developmental Disability Syste	15,127	-	15,081	46
Veteran's Nursing Home Program	798	-	753	45
Total Agency	$ 79,808	$ -	$ 79,086	$ 722
DEPARTMENT OF COMMERCE				
Weight & Measures Bureau	433	-	419	14
Business Development Division	707	-	705	2
Montana Promotion Division	500	-	-	500
Community Development Bureau	252	-	252	-
Office of Res. & Info Services	319	-	315	4
Local Gov't Services-Audit	-	92	92	-
Local Gov't Services-Systems	-	51	51	-
Building Codes Bureau	33	-	33	-
Indian Affairs Coordinator	113	-	103	10
Mt Science & Tech Alliance	462	-	445	17
Director/Management Services	106	-	102	4
Total Agency	$ 2,925	$ 143	$ 2,517	$ 551
LABOR & INDUSTRY				
Employment Relations	381	-	369	12
Human Rights Commission	329	-	329	-
Total Agency	$ 710	$ -	$ 698	$ 12
ADJUTANT GENERAL				
Operations Support	356	-	355	1
Army National Guard Pgm	721	-	716	5
Army National Guard Pgm	-	10	-	10
Air National Guard Pgm	184	-	184	-
Disaster Coordination Response	240	-	224	16
Veterans Affairs Program	516	-	516	-
Disaster Fund	390	-	344	46
Total Agency	$ 2,407	$ 10	$ 2,339	$ 78
DEPT SOCIAL & REHAB SERVICES				
Family Assistance	19,273	-	18,266	1,007
Family Assistance	-	196	170	26
Administrative & Support Svs	921	-	899	22
State Assumed County Admin.	3,293	-	3,255	38
Medicaid Services	70,638	-	69,789	849
Audit and Pro. Compliance Div.	604	-	602	2
Office of Mgmt, Analy & Syst	2,686	-	2,563	123
Vocational Rehabilitation Pgm	1,322	-	1,304	18
Visual Services Prgm	301	-	298	3
Developmental Disab Program	13,852	-	13,830	22
Total Agency	$ 112,890	$ 196	$ 110,976	$ 2,110
DEPARTMENT OF FAMILY SERVICES				
Management Support	2,440	-	2,315	125
Regional Staff	6,438	-	6,412	26
Juvenile Corrections	6,659	-	6,639	20
Community & Protective Service	21,758	-	20,900	858
Total Agency	$ 37,295	$ -	$ 36,266	$ 1,029
AGENCY PROGRAM TOTALS	$ 411,406	$ 173,937	$ 523,403	$ 61,940

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. A brief description of each Special Revenue Fund follows:

State - This fund accounts for money from State and other sources that are earmarked for the purpose of defraying particular costs of an agency, program or function.

Federal - This fund accounts for money from federal sources that is used for the operation of State government.

STATE OF MONTANA
Combining Balance Sheet
Special Revenue Funds
June 30, 1993
(Expressed in Thousands)

	STATE	FEDERAL	TOTALS - JUNE 30 1993	1992
ASSETS:				
Cash/Cash Equivalents	$ 193,541	$ 34,422	$ 227,963	$ 183,398
Receivables (Net)	57,834	2,407	60,241	53,640
Interfund Loans Receivable	34,487	25	34,512	71,099
Due from Other Governments	2,892	104,209	107,101	89,413
Due from Other Funds	24,268	5,764	30,032	25,648
Inventories	18,941	4	18,945	18,546
Long-Term Notes/Loans Receivable	20,972	770	21,742	8,467
Advances to Other Funds	20	-	20	-
Investments	1,378	9,956	11,334	7,487
Other Assets	1,300	1,375	2,675	2,056
TOTAL ASSETS	$ 355,633	$158,932	$ 514,565	$ 459,754
LIABILITIES/FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 60,091	$ 59,706	$ 119,797	$ 89,638
Interfund Loans Payable	5,357	35,653	41,010	62,627
Advances from Other Funds	1,291	4,610	5,901	515
Due to Other Governments	28,516	2,403	30,919	4,139
Due to Other Funds	29,888	10,805	40,693	31,521
Deferred Revenue	12,919	12,751	25,670	32,041
Property Held in Trust	1,261	45	1,306	1,786
Other Liabilities	8	-	8	-
Total Liabilities	139,331	125,973	265,304	222,267
Fund Balances:				
Reserved For:				
Encumbrances	18,727	4,357	23,084	17,122
Inventories	18,941	4	18,945	18,546
Advances to Other Funds	20	-	20	-
Long-Term Loans	20,972	770	21,742	8,467
Trusts/Endowments	-	3,910	3,910	3,641
Unreserved	157,642	23,918	181,560	189,711
Total Fund Balances	216,302	32,959	249,261	237,487
TOTAL LIABILITIES/FUND BALANCES	$ 355,633	$158,932	$ 514,565	$ 459,754

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	STATE	FEDERAL	TOTALS YEAR ENDED JUNE 30 1993	1992
REVENUES:				
Licenses/Permits	$ 67,021	$ -	$ 67,021	$ 60,075
Taxes:				
Gas/Oil/Coal Production	39,498	-	39,498	49,220
Individual Income	101,545	-	101,545	81,618
Corporate Income	26,859	-	26,859	20,113
Property	216,451	-	216,451	160,740
Fuel	116,300	-	116,300	113,111
Payroll	15,437	-	15,437	14,067
Other	61,341	-	61,341	54,930
Charges for Services/Fines/Forfeits	29,846	2,667	32,513	30,719
Investment Earnings	2,514	1,481	3,995	4,809
Sale of Documents/Mdse./Property	14,846	4	14,850	16,232
Rentals/Leases/Royalties	318	-	318	200
Contributions/Premiums	255	3,211	3,466	3,355
Grants/Contracts/Donations	3,364	314	3,678	3,610
Federal	22,740	644,533	667,273	584,748
Federal Indirect Cost Recoveries	29	1,575	1,604	1,400
Other Revenues	680	199	879	1,650
Total Revenues	719,044	653,984	1,373,028	1,200,597
Intrafund Revenues	(12,856)	(740)	(13,596)	(10,201)
Net Revenues	706,188	653,244	1,359,432	1,190,396
EXPENDITURES:				
Current:				
General Government	52,351	379	52,730	56,991
Public Safety/Corrections	42,110	11,052	53,162	52,941
Transportation	140,951	143,689	284,640	285,199
Health/Social Services	42,271	382,832	425,103	362,112
Education/Cultural	410,534	16,091	426,625	384,052
Resource Development/Recreation	37,672	18,071	55,743	52,627
Economic Development/Assistance	16,658	66,542	83,200	76,307
Debt Service:				
Principal Retirement	101	134	235	39
Interest/Fiscal Charges	526	21	547	366
Capital Outlay	12,903	3,194	16,097	16,681
Total Expenditures	756,077	642,005	1,398,082	1,287,315
Intrafund Expenditures	(12,856)	(740)	(13,596)	(10,201)
Net Expenditures	743,221	641,265	1,384,486	1,277,114
Excess of Revenues Over (Under) Expenditures	(37,033)	11,979	(25,054)	(86,718)
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	-	1,472	1,472	1,275
Bond Proceeds	9,947	-	9,947	-
Proceeds of Refunding Bonds	123,995	-	123,995	21,735
Payments to Refunded Bond Escrow Agent	(112,040)	-	(112,040)	-
Inception of Lease/Installment Contract	97	-	97	136
General Fixed Asset Sale Proceeds	61	-	61	40
Operating Transfers In	88,563	75	88,638	90,753
Operating Transfers Out	(66,762)	(5,432)	(72,194)	(67,034)
Total Other Financing Sources (Uses)	43,861	(3,885)	39,976	46,905
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	6,828	8,094	14,922	(39,813)
Cum Eff of Chg in Acctg Prin.	-	-	-	35,318
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses After Cumulative Effect	6,828	8,094	14,922	(4,495)
FUND BALANCES - JULY 1 - As Prev. Reported	213,040	24,447	237,487	250,532
Prior Period Adjustments	(57)	428	371	908
FUND BALANCES - July 1 - As Restated	212,983	24,875	237,858	251,440
Increase (Decrease) in Inventories	399	-	399	690
Residual Equity Transfers	(3,908)	(10)	(3,918)	(10,148)
FUND BALANCES - JUNE 30	$ 216,302	$ 32,959	$ 249,261	$ 237,487

STATE OF MONTANA
Schedule of Revenues, Expenditures, Other Financing Sources (Uses)
Budget and Actual with Reconciliation of Unreserved Fund Balance per the
Statewide Budgeting and Accounting System (SBAS) to Budget Basis Statement in the GPFS
Special Revenue Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	STATE SPECIAL REVENUE FUND			FEDERAL SPECIAL REVENUE FUND			TOTALS YEAR ENDED JUNE 30		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES:									
Licenses/Permits	$ 61,918	$ 67,021	$ 5,103	$ -	$ -	$ -	$ 61,918	$ 67,021	$ 5,103
Taxes:									
Gas/Oil/Coal Production	46,630	39,498	(7,132)	-	-	-	46,630	39,498	(7,132)
Individual Income	101,705	101,545	(160)	-	-	-	101,705	101,545	(160)
Corporate Income	21,575	26,859	5,284	-	-	-	21,575	26,859	5,284
Property	159,921	216,451	56,530	-	-	-	159,921	216,451	56,530
Fuel	115,754	116,362	608	-	-	-	115,754	116,362	608
Payroll	13,293	15,414	2,121	-	-	-	13,293	15,414	2,121
Other Taxes	57,554	61,302	3,748	-	-	-	57,554	61,302	3,748
Charges for Services/Fines/Forfeits	32,727	29,846	(2,881)	2,305	2,667	362	35,032	32,513	(2,519)
Investment Earnings	1,995	2,514	519	1,528	1,481	(47)	3,523	3,995	472
Sale of Documents/Merchandise/Property	18,012	14,846	(3,166)	10	4	(6)	18,022	14,850	(3,172)
Rentals/Leases/Royalties	243	318	75	-	-	-	243	318	75
Contributions/Premiums	295	255	(40)	2,951	3,211	260	3,246	3,466	220
Grants/Contracts/Donations	6,039	3,364	(2,675)	383	314	(69)	6,422	3,678	(2,744)
Federal	25,541	22,739	(2,802)	669,037	644,534	(24,503)	694,578	667,273	(27,305)
Federal Indirect Cost Recoveries	34	29	(5)	1,432	1,575	143	1,466	1,604	138
Other Revenues	1,012	680	(332)	-	199	199	1,012	879	(133)
Total Revenues	664,248	719,043	54,795	677,646	653,985	(23,661)	1,341,894	1,373,028	31,134
EXPENDITURES:									
Current:									
General Government	71,732	52,023	19,709	27,530	379	27,151	99,262	52,402	46,860
Public Safety/Corrections	44,505	42,002	2,503	12,888	11,076	1,812	57,393	53,078	4,315
Transportation	162,907	145,901	17,006	150,528	143,650	6,878	313,435	289,551	23,884
Health/Social Services	47,368	42,353	5,015	401,702	377,692	24,010	449,070	420,045	29,025
Education/Cultural	410,026	409,164	862	18,903	16,105	2,798	428,929	425,269	3,660
Resource Development/Recreation	58,931	41,099	17,832	30,842	19,098	11,744	89,773	60,197	29,576
Economic Development/Assistance	19,335	16,692	2,643	83,772	66,660	17,112	103,107	83,352	19,755
Debt Service:									
Principal Retirement	101	101	-	134	134	-	235	235	-
Interest/Fiscal Charges	526	526	-	21	21	-	547	547	-
Capital Outlay	13,343	13,683	(340)	2,775	2,998	(123)	16,118	16,581	(463)
Total Expenditures	828,774	763,544	65,230	729,095	637,713	91,382	1,557,869	1,401,257	156,612
Excess of Rev. Over (Under) Expend.	(164,526)	(44,501)	120,025	(51,449)	16,272	67,721	(215,975)	(28,229)	187,746
OTHER FINANCING SOURCES (USES):									
Loan Proceeds	-	-	-	1,500	1,472	(28)	1,500	1,472	(28)
Bond Proceeds	11,225	9,947	(1,278)	-	-	-	11,225	9,947	(1,278)
Proceeds of Refunding Bonds	129,000	123,995	(5,005)	-	-	-	129,000	123,995	(5,005)
Payments to Refunded Bond Escrow Agent	(112,040)	(112,040)	-	-	-	-	(112,040)	(112,040)	-
General Fixed Asset Sale Proceeds	26	61	35	-	-	-	26	61	35
Operating Transfers In	123,182	104,192	(18,990)	9,840	5,492	(4,348)	133,022	109,684	(23,338)
Operating Transfers Out	(93,687)	(88,326)	5,361	(8,157)	(6,132)	2,025	(101,844)	(94,458)	7,386
Total Other Financings Sources (Uses)	57,706	37,829	(19,877)	3,183	832	(2,351)	60,889	38,661	(22,228)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (Budgetary Basis)	(106,820)	(6,672)	100,148	(48,266)	17,104	65,370	(155,086)	10,432	165,518
RECONCILIATION OF BUDGETARY/GAAP REPORTING:									
1. Adjust expenditures for encumbrances.	-	8,080	8,080	-	637	637	-	8,717	8,717
2. Adjustments for appropriated loans/ other nonbudgeted activity.	-	5,420	5,420	-	(9,647)	(9,647)	-	(4,227)	(4,227)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (GAAP Basis)	(106,820)	6,828	113,648	(48,266)	8,094	56,360	(155,086)	14,922	170,008
Unreserved Fund Balances - July 1	174,186	174,186	-	15,525	15,525	-	189,711	189,711	-
Residual Equity Transfers	(3,908)	(3,908)	-	(10)	(10)	-	(3,918)	(3,918)	-
Prior Period Adjustments	-	(57)	(57)	-	428	428	-	371	371
Decrease (Increase):									
Encumbrances Reserve	-	(6,048)	(6,048)	-	86	86	-	(5,962)	(5,962)
Advances to Other Funds Reserve	-	(20)	(20)	-	-	-	-	(20)	(20)
Long-Term Loans Reserve	-	(13,339)	(13,339)	-	64	64	-	(13,275)	(13,275)
Trusts/Endowments Reserve	-	-	-	-	(269)	(269)	-	(269)	(269)
Unreserved Fund Balances - June 30	$ 63,458	$ 157,642	$ 94,184	$ (32,751)	$ 23,918	$ 56,669	$ 30,707	$ 181,560	$ 150,853

STATE OF MONTANA
Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - State Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
LEGISLATIVE AUDITOR				
Audit & Examination Program	$ 1,395	$ -	$ 1,393	$ 2
Total Agency	$ 1,395	$ -	$ 1,393	$ 2
LEGISLATIVE COUNCIL				
Interim Studies & Conferences	61	-	38	23
Legislative Council	505	-	383	122
Total Agency	$ 566	$ -	$ 421	$ 145
ENVIRONMENTAL QUALITY COUNCIL				
Environmental Quality Program	30	-	18	12
Water Policy Committee	14	-	10	4
Total Agency	$ 44	$ -	$ 28	$ 16
CONSUMER COUNSEL				
Administration Program	947	-	636	311
Total Agency	$ 947	$ -	$ 636	$ 311
JUDICIARY				
District Court Operations	580	-	526	54
Water Courts Supervision	535	-	534	1
Total Agency	$ 1,115	$ -	$ 1,060	$ 55
MT CHIROPRACTIC LEGAL PANEL				
Legal Panel Operations	16	-	13	3
Total Agency	$ 16	$ -	$ 13	$ 3
GOVERNORS OFFICE				
Executive Office Program	84	-	26	58
Air Transportation Program	10	-	4	6
Lt. Governor	15	-	-	15
Total Agency	$ 109	$ -	$ 30	$ 79
SECRETARY OF STATES OFFICE				
Administrative Code Program	184	-	183	1
Total Agency	$ 184	$ -	$ 183	$ 1
STATE AUDITORS OFFICE				
State Payroll	436	-	379	57
Insurance	42	-	42	-
Local Assistance Distributions	7,500	-	7,079	421
Pension Adj Retired Firemen	1,050	-	1,042	8
Fiscal Control and Management	147	-	147	-
Total Agency	$ 9,175	$ -	$ 8,689	$ 486
OFFICE OF PUBLIC INSTRUCTION				
OPI Administration	787	-	648	139
OPI Administration	-	40	40	-
Distribution to Public Schools	$ 406,553	$ -	$ 406,155	$ 398
Total Agency	$ 407,340	$ 40	$ 406,843	$ 537

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - State Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
CRIME CONTROL DIVISION				
Justice System Support Service	1,167	-	872	295
Total Agency	$ 1,167	$ -	$ 872	$ 295
HIGHWAY TRAFFIC SAFETY				
Highway Traffic Safety Div	81	-	73	8
Total Agency	$ 81	$ -	$ 73	$ 8
DEPARTMENT OF JUSTICE				
Legal Services Division	318	-	318	-
Gambling Control Division	21,919	-	21,101	818
Motor Vehicle Division	93	-	72	21
Highway Patrol Division	12,412	-	12,297	115
Law Enforcement Services Div	353	-	335	18
Central Services Division	999	-	902	97
Data Processing Division	260	-	260	-
Forensic Science Division	237	-	237	-
Total Agency	$ 36,591	$ -	$ 35,522	$ 1,069
BOARD OF PUBLIC EDUCATION				
Administration	12	-	12	-
Advisory Council	157	-	142	15
Total Agency	$ 169	$ -	$ 154	$ 15
COMMISSIONER OF HIGHER ED				
Administration Program	23	-	2	21
Administration Program	-	8	8	-
Vo-Tech Approp. Distrib.	-	996	991	5
Appropriation Distribution	-	14,632	14,627	5
Total Agency	$ 23	$ 15,636	$ 15,628	$ 31
SCHOOL FOR THE DEAF & BLIND				
Education	226	-	226	-
Total Agency	$ 226	$ -	$ 226	$ -
MONTANA ARTS COUNCIL				
Promotion of the Arts	1,234	-	1,097	137
Total Agency	$ 1,234	$ -	$ 1,097	$ 137
LIBRARY COMMISSION				
State Library Operations	190	-	164	26
Natural Resource Info Services	510	-	491	19
Total Agency	$ 700	$ -	$ 655	$ 45
HISTORICAL SOCIETY				
Administration Program	$ 175	$ -	$ 149	$ 26
Library Program	49	-	46	3
Museum Program	19	-	3	16
Historical Sites Preservation	133	-	65	68
Total Agency	$ 376	$ -	$ 263	$ 113

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - State Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPT OF FISH, WILDLIFE & PARKS				
Administration & Finance Div.	2,522	-	2,469	53
Administration & Finance Div.	-	161	161	-
Field Services & R-8 Division	1,991	-	1,877	114
Fisheries Division	2,947	-	2,769	178
Fisheries Division	-	5	5	-
Law Enforcement Division	4,909	-	4,872	37
Wildlife Division	4,467	-	4,113	354
Parks Division	3,785	-	3,645	140
Parks Division	-	25	24	1
Capital Outlay	8,132	-	1,577	6,555
Capital Outlay	-	436	435	1
Conservation Education Div	1,564	-	1,529	35
Department Management	1,976	-	1,926	50
Total Agency	$ 32,293	$ 627	$ 25,402	$ 7,518
DEPT HEALTH & ENVIRON SCIENCES				
Central Services	1,211	-	1,197	14
Environmental Sciences	4,448	-	3,471	977
Solid/Hazardous Waste	5,037	-	3,675	1,362
Water Quality	1,553	-	1,159	394
Health Services/Medical Fac	691	-	568	123
Family/MCH Bureau	637	-	236	401
Preventive Health Bureau	66	-	35	31
Petro Tank Release Comp Board	4,400	-	3,826	574
Total Agency	$ 18,043	$ -	$ 14,167	$ 3,876
DEPARTMENT OF TRANSPORTATION				
General Operations Program	134,144	-	133,988	156
Construction Program	67,211	-	53,235	13,976
Maintenance Program	51,846	-	51,653	193
Interfund Transfers Program	-	36,426	32,599	3,827
Stores Inventory	14,642	-	13,961	681
G.V.W.	4,181	-	4,005	176
Aeronautics Program	866	-	697	169
Aeronautics Program	-	11	11	-
Rail & Transit Program	2,179	-	350	1,829
Total Agency	$ 275,069	$ 36,437	$ 290,499	$ 21,007
DEPARTMENT OF STATE LANDS				
Central Management Program	137	-	69	68
Reclamation Program	4,340	-	1,630	2,710
Reclamation Program	-	2	2	-
Land Administration Pgm	393	-	288	105
Forestry	3,585	-	2,924	661
Total Agency	$ 8,455	$ 2	$ 4,913	$ 3,544
DEPARTMENT OF LIVESTOCK				
Centralized Services Program	463	-	463	-
Diagnostic Laboratory Program	724	-	724	-
Disease Control Program	568	-	540	28
Inspection & Control Program	2,317	-	2,306	11
Predatory Animal Control Pgm	250	-	247	3
Rabies Control	$ 15	$ -	$ 14	$ 1
Total Agency	$ 4,337	$ -	$ 4,294	$ 43
DEPT NAT RESOURCE/CONSERVATION				
Centralized Services	420	-	419	1
Oil & Gas Regulation	2,186	-	1,292	894
Conservation/Resource Dev Div	5,877	-	5,153	724

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - State Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPT NAT RESOURCE/CONSERVATION				
Conservation/Resource Dev Div	-	13,662	13,250	412
Water Resources Division	7,900	-	3,758	4,142
Reserved Water Rights Comp Com	327	-	309	18
Energy Division	2,465	-	832	1,633
Energy Division	-	1,110	-	1,110
Total Agency	$ 19,175	$ 14,772	$ 25,013	$ 8,934
DEPARTMENT OF REVENUE				
Directors Office	1	-	-	1
Centralized Services Division	2,815	-	2,704	111
Data Processing Division	72	-	72	-
Income Tax	447	-	446	1
Corporation Tax	51,222	-	42,084	9,138
Total Agency	$ 54,557	$ -	$ 45,306	$ 9,251
DEPARTMENT OF ADMINISTRATION				
Director's Office	12	-	-	12
Accounting Program	-	501	501	-
Arch & Engineering Pgm	787	-	728	59
Information Services Division	1,350	-	1,082	268
Information Services Division	-	92	92	-
State Personnel Division	10	-	-	10
Risk Management & Tort Defense	500	-	212	288
Total Agency	$ 2,659	$ 593	$ 2,615	$ 637
STATE COMP. MUTUAL INS. FUND				
St. Compensation Mutual Ins. F	-	25,227	25,227	-
Total Agency	$ -	$ 25,227	$ 25,227	$ -
LONG RANGE BUILDING PLAN				
Departments & Agencies	10,172	-	783	9,389
Departments & Agencies	-	235	235	-
University System	36	-	-	36
Institutions	24	-	-	24
Total Agency	$ 10,232	$ 235	$ 1,018	$ 9,449
DEPARTMENT OF AGRICULTURE				
Central Management Division	198	-	187	11
State Grain Laboratory	546	-	387	159
Ag & Bio Sciences Division	2,330	-	1,900	430
Plant Industry Division	169	-	149	20
Agricultural Development	1,991	-	1,510	481
Total Agency	$ 5,234	$ -	$ 4,133	$ 1,101
DEPT. CORRECTIONS & HUMAN SER				
Central Operations	-	-	-	-
Corrections Systems	1,311	-	816	495
Mental Health System	536	-	413	123
Chemical Dependency System	$ 3,202	$ -	$ 3,072	$ 130
Developmental Disability Syste	39	-	31	8
Veteran's Nursing Home Program	1,280	-	1,279	1
Total Agency	$ 6,368	$ -	$ 5,611	$ 757
DEPARTMENT OF COMMERCE				
Financial Division	973	-	952	21
Milk Control Bureau	305	-	242	63

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - State Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF COMMERCE				
POL Bureau	2,506	-	2,340	166
Business Development Division	898	-	704	194
Montana Promotion Division	7,848	-	7,388	460
Community Development Bureau	2,548	-	1,468	1,080
Building Codes Bureau	1,486	-	1,483	3
Mt Science & Tech Alliance	1,573	-	1,396	177
Board of Horse Racing	216	-	182	34
Total Agency	$ 18,353	$ -	$ 16,155	$ 2,198
LABOR & INDUSTRY				
Job Service Division	751	-	746	5
Employment Relations	1,664	-	1,552	112
Legal Services Division	278	-	276	2
Research, Safety and Training	864	-	863	1
Workers Compensation Judge	360	-	356	4
Job Training Grants	68	-	49	19
Total Agency	$ 3,985	$ -	$ 3,842	$ 143
ADJUTANT GENERAL				
Veterans Affairs Program	41	-	23	18
Total Agency	$ 41	$ -	$ 23	$ 18
DEPT SOCIAL & REHAB SERVICES				
Family Assistance	987	-	969	18
Eligibility Determination Pgm	2,863	-	2,737	126
Administrative & Support Svs	377	-	341	36
Child Support Enforcement	2,011	-	1,613	398
Medicaid Services	9,613	-	9,613	-
Medicaid Services	-	118	118	-
Audit and Pro. Compliance Div.	8	-	7	1
Office of Mgmt, Analy & Syst	957	-	874	83
Vocational Rehabilitation Pgm	685	-	646	39
Total Agency	$ 17,501	$ 118	$ 16,918	$ 701
DEPARTMENT OF FAMILY SERVICES				
Management Support	15	-	14	1
Regional Staff	999	-	999	-
Juvenile Corrections	332	-	293	39
Community & Protective Service	1,700	-	1,550	150
Total Agency	$ 3,046	$ -	$ 2,856	$ 190
AGENCY PROGRAM TOTALS	$ 940,806	$ 93,687	$ 961,778	$ 72,715

STATE OF MONTANA
Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - Federal Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
JUDICIARY				
HB 903 Automation	$ 184	$ -	$ 36	$ 148
Total Agency	$ 184	$ -	$ 36	$ 148
GOVERNORS OFFICE				
Northwest Regional Power Act	435	-	364	71
Citizens Advocate Office	15	-	15	-
Mental Dis Bd Visitors	52	-	52	-
Total Agency	$ 502	$ -	$ 431	$ 71
STATE AUDITORS OFFICE				
Forest Res & FPGA to Counties	14,000	-	11,918	2,082
Total Agency	$ 14,000	$ -	$ 11,918	$ 2,082
OFFICE OF PUBLIC INSTRUCTION				
OPI Administration	4,421	-	3,497	924
Distribution to Public Schools	5,326	-	5,186	140
Total Agency	$ 9,747	$ -	$ 8,683	$ 1,064
CRIME CONTROL DIVISION				
Justice System Support Service	4,196	-	3,908	288
Total Agency	$ 4,196	$ -	$ 3,908	$ 288
HIGHWAY TRAFFIC SAFETY				
Highway Traffic Safety Div	1,301	-	978	323
Total Agency	$ 1,301	$ -	$ 978	$ 323
DEPARTMENT OF JUSTICE				
Motor Vehicle Division	53	-	52	1
Highway Patrol Division	752	-	693	59
Law Enforcement Services Div	1,114	-	949	165
Central Services Division	166	-	68	98
Data Processing Division	73	-	73	-
Total Agency	$ 2,158	$ -	$ 1,835	$ 323
PUBLIC SERVICE REGULATION				
Public Service Regulation Prog	27	-	26	1
Total Agency	$ 27	$ -	$ 26	$ 1
COMMISSIONER OF HIGHER ED				
Student Assistance Program	280	-	244	36
DDE Mathematics & Sci Ed Act	296	-	295	1
Talent Search	381	-	364	17
C.D. Perkins Admin	2,013	-	1,945	68
C.D. Perkins Admin	-	3,090	2,907	183
Guaranteed Student Loan Pgm	2,685	-	2,680	5
Total Agency	$ 5,655	$ 3,090	$ 8,435	$ 310
SCHOOL FOR THE DEAF & BLIND				
Student Services	34	-	29	5
Education	131	-	88	43
Total Agency	$ 165	$ -	$ 117	$ 48

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Federal Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
MONTANA ARTS COUNCIL				
Promotion of the Arts	$ 804	$ -	$ 640	$ 164
Total Agency	$ 804	$ -	$ 640	$ 164
LIBRARY COMMISSION				
State Library Operations	1,423	-	607	816
Natural Resource Info Services	208	-	116	92
Natural Resource Info Services	-	1	-	1
Total Agency	$ 1,631	$ 1	$ 723	$ 909
MONTANA COUNCIL ON VOCATIONAL				
Administration Program	174	-	152	22
Total Agency	$ 174	$ -	$ 152	$ 22
HISTORICAL SOCIETY				
Administration Program	37	-	37	-
Museum Program	55	-	30	25
Historical Sites Preservation	805	-	450	355
Total Agency	$ 897	$ -	$ 517	$ 380
DEPT OF FISH, WILDLIFE & PARKS				
Administration & Finance Div.	681	-	567	114
Field Services & R-8 Division	361	-	341	20
Fisheries Division	3,961	-	3,367	594
Law Enforcement Division	221	-	207	14
Wildlife Division	3,698	-	2,890	808
Parks Division	807	-	604	203
Capital Outlay	80	-	5	75
Capital Outlay	-	408	407	1
Conservation Education Div	227	-	219	8
Department Management	796	-	699	97
Total Agency	$ 10,832	$ 408	$ 9,306	$ 1,934
DEPT HEALTH & ENVIRON SCIENCES				
Director's Office	47	-	29	18
Central Services	320	-	228	92
Environmental Sciences	1,386	-	1,127	259
Solid/Hazardous Waste	6,664	-	2,505	4,159
Water Quality	4,835	-	2,736	2,099
Health Services/Medical Fac	1,207	-	998	209
Family/MCH Bureau	20,565	-	19,923	642
Preventive Health Bureau	1,966	-	1,655	311
Health Facilities Division	2,175	-	1,785	390
Total Agency	$ 39,165	$ -	$ 30,986	$ 8,179
DEPARTMENT OF TRANSPORTATION				
General Operations Program	1,607	-	1,422	185
Construction Program	145,802	-	139,671	6,131
Aeronautics Program	74	-	7	67
Rail & Transit Program	3,115	-	2,288	827
Total Agency	$ 150,598	$ -	$ 143,388	$ 7,210
DEPARTMENT OF STATE LANDS				
Central Management Program	313	-	213	100
Reclamation Program	8,704	-	3,512	5,192
Reclamation Program	-	8	8	-

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Federal Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF STATE LANDS				
Land Administration Pgm	$ 16	$ -	$ -	$ 16
Forestry	1,024	-	922	102
Total Agency	$ 10,057	$ 8	$ 4,655	$ 5,410
DEPARTMENT OF LIVESTOCK				
Centralized Services Program	39	-	39	-
Milk & Egg Program	34	-	34	-
Meat Inspection Program	287	-	266	21
Total Agency	$ 360	$ -	$ 339	$ 21
DEPT NAT RESOURCE/CONSERVATION				
Centralized Services	4	-	4	-
Oil & Gas Regulation	281	-	277	4
Conservation/Resource Dev Div	266	-	154	112
Water Resources Division	5,444	-	1,786	3,658
Energy Division	3,062	-	2,000	1,062
Total Agency	$ 9,057	$ -	$ 4,221	$ 4,836
DEPARTMENT OF REVENUE				
Directors Office	191	-	175	16
Corporation Tax	178	-	171	7
Total Agency	$ 369	$ -	$ 346	$ 23
LONG RANGE BUILDING PLAN				
Departments & Agencies	24,192	-	911	23,281
Institutions	3,699	-	-	3,699
Total Agency	$ 27,891	$ -	$ 911	$ 26,980
DEPARTMENT OF AGRICULTURE				
Central Management Division	87	-	77	10
Ag & Bio Sciences Division	681	-	607	74
Plant Industry Division	14	-	14	-
Agricultural Development	39	-	7	32
Total Agency	$ 821	$ -	$ 705	$ 116
DEPT. CORRECTIONS & HUMAN SER				
Corrections Systems	568	-	431	137
Mental Health System	2,150	-	1,729	421
Chemical Dependency System	3,337	-	2,687	650
Developmental Disability Syste	15	-	11	4
Veteran's Nursing Home Program	969	-	969	-
Total Agency	$ 7,039	$ -	$ 5,827	$ 1,212
DEPARTMENT OF COMMERCE				
Business Development Division	2,691	-	2,062	629
Community Development Bureau	25,826	-	17,616	8,210
Indian Affairs Coordinator	107	-	63	44
Mt Science & Tech Alliance	27	-	-	27
Total Agency	$ 28,651	$ -	$ 19,741	$ 8,910
LABOR & INDUSTRY				
Job Service Division	14,568	-	13,819	749
Unemployment Insurance	4,434	-	4,423	11

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Federal Special Revenue Fund
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
LABOR & INDUSTRY				
Employment Relations	$ 671	$ -	$ 668	$ 3
Legal Services Division	556	-	551	5
Research, Safety and Training	2,316	-	1,969	347
Human Rights Commission	324	-	183	141
Job Training Grants	18,749	-	13,842	4,907
Job Training Grants	-	1,732	651	1,081
Total Agency	$ 41,618	$ 1,732	$ 36,106	$ 7,244
ADJUTANT GENERAL				
Army National Guard Pgm	1,699	-	1,378	321
Air National Guard Pgm	1,518	-	1,457	61
Disaster Coordination Response	252	-	240	12
Emergency Mgmt Development	346	-	342	4
Local Reimbursement-DES	723	-	705	18
Veterans Affairs Program	83	-	19	64
Total Agency	$ 4,621	$ -	$ 4,141	$ 480
DEPT SOCIAL & REHAB SERVICES				
Family Assistance	55,269	-	53,799	1,470
Family Assistance	-	975	792	183
Eligibility Determination Pgm	2,790	-	2,733	57
Administrative & Support Svs	1,784	-	1,565	219
Child Support Enforcement	3,814	-	3,637	177
State Assumed County Admin.	3,186	-	3,173	13
Medicaid Services	229,981	-	221,004	8,977
Medicaid Services	-	1,745	1,195	550
Audit and Pro. Compliance Div.	817	-	802	15
Audit and Pro. Compliance Div.	-	198	172	26
Office of Mgmt, Analy & Syst	5,184	-	4,762	422
Vocational Rehabilitation Pgm	8,401	-	7,548	853
Disability Determination Pgm	3,042	-	2,911	131
Visual Services Prgm	1,110	-	1,073	37
Developmental Disab Program	21,114	-	19,935	1,179
Develope Disab Advis Council	474	-	332	142
Total Agency	$ 336,966	$ 2,918	$ 325,433	$ 14,451
DEPARTMENT OF FAMILY SERVICES				
Management Support	6,212	-	5,903	309
Regional Staff	4,840	-	4,827	13
Juvenile Corrections	433	-	321	112
Community & Protective Service	8,120	-	7,326	794
Total Agency	$ 19,605	$ -	$ 18,377	$ 1,228
AGENCY PROGRAM TOTALS	$ 729,091	$ 8,157	$ 642,881	$ 94,367

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term obligation principal and interest. A brief description of each Debt Service Fund follows:

Coal Tax Bonds - Moneys in this fund are pledged for the payment of principal and interest on all State of Montana coal severance tax bonds.

Long-Range Building Program - This fund accounts for the payment of all long-range building program bonds and interest.

Water Development - This fund accounts for coal severance taxes pledged to retire bonds sold to make loans/grants for water development projects and activities, as prioritized by the Legislature.

Highway Revenue Bonds - This fund accounts for gasoline taxes pledged for payment of principal and interest on bonds issued for the purpose of constructing highways in Montana.

Transportation Building Complex - This fund accounts for gasoline taxes pledged for the payment of principal and interest on bonds issued for the purpose of acquiring a site and erecting and equipping the headquarter's building complex for the Montana Department of Transportation.

Airport Bonds - This fund accounts for the 1983 "B" bonds that are used to retire the balance of unloaned airport bonds.

Department of Social and Rehabilitation Services (SRS) Building - The building occupied by SRS is owned by the Teachers' Retirement System and is leased to the State through a lease-purchase agreement. This fund accounts for the lease payments to the retirement system.

Renewable Resource - This fund accounts for coal severance taxes pledged to retire bonds that were sold to provide funds to finance renewable resource projects.

Water Conservation Bonds - This fund accounts for Water Conservation Bonds issued for four projects: Sidney, Little Dry, South Side Canal and Petrolia.

Energy Bonds - This fund accounts for General Obligation bonds issued for State Building Energy Conservation Projects.

STATE OF MONTANA
Combining Balance Sheet
Debt Service Funds
June 30, 1993
(Expressed in Thousands)

	COAL TAX BONDS	LONG-RANGE BUILDING PROGRAM	WATER DEVELOP-MENT	HIGHWAY REVENUE BONDS	TRANS BLDG COMPLEX	SRS BLDG	RENEW-ABLE RESOURCE	WATER CONSER-VATION BONDS	ENERGY BONDS	TOTALS - JUNE 30 1993	TOTALS - JUNE 30 1992
ASSETS:											
Cash/Cash Equivalents	$ 5,712	$ 11,820	$ 1,416	$ 6,371	$ 660	$ 51	$ 161	$ 1	$ 6	$ 26,198	$ 27,515
Receivables (Net)	565	5,191	203	-	-	-	37	-	-	5,996	11,264
Due from Other Funds	17	27	4	-	2	-	200	-	-	250	5,322
Long-Term Notes/Loans Receivable	28,084	-	4,898	-	-	-	-	326	-	33,308	34,976
Investments	1,669	-	-	-	-	-	-	-	-	1,669	6,621
Other Assets	-	-	-	-	-	45	-	-	-	45	45
TOTAL ASSETS	$ 36,047	$ 17,038	$ 6,521	$ 6,371	$ 662	$ 96	$ 398	$ 327	$ 6	$ 67,466	$ 85,743
LIABILITIES/FUND BALANCES:											
Liabilities:											
Accounts Payable	$ -	$ 2,999	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,999	$ 2,781
Interfund Loans Payable	-	-	-	-	-	-	-	-	-	-	21
Due to Other Funds	6	2,207	412	30	32	-	-	-	-	2,687	711
Deferred Revenue	-	953	-	-	-	-	-	-	-	953	1,151
Total Liabilities	6	6,159	412	30	32	-	-	-	-	6,639	4,664
Fund Balances:											
Reserved for Long-Term Loans	28,084	-	4,898	-	-	-	-	326	-	33,308	34,976
Reserved for Debt Service	7,957	10,879	1,211	6,341	630	96	398	1	6	27,519	46,103
Total Fund Balances	36,041	10,879	6,109	6,341	630	96	398	327	6	60,827	81,079
TOTAL LIABILITIES/FUND BALANCES	$ 36,047	$ 17,038	$ 6,521	$ 6,371	$ 662	$ 96	$ 398	$ 327	$ 6	$ 67,466	$ 85,743

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	COAL TAX BONDS	LONG-RANGE BUILDING PROGRAM	WATER DEVELOP-MENT	HIGHWAY REVENUE BONDS	TRANS BLDG COMPLEX
REVENUES:					
Taxes:					
Gas/Oil/Coal Production	$ -	$ -	$ 169	$ -	$ -
Individual Income	-	30,997	-	-	-
Corporate Income	-	6,889	-	-	-
Cigarette/Tobacco	-	10,543	-	-	-
Charges for Services/Fines/Forfeits	4	-	5	-	-
Investment Earnings	1,939	-	693	818	31
Federal	-	15	-	-	-
Sale of Documents/Mdse./Property	1,966	-	-	-	-
Other Revenues	-	607	-	-	-
Total Revenues	3,909	49,051	867	818	31
Intrafund Revenues	-	-	(82)	-	-
Net Revenues	3,909	49,051	785	818	31
EXPENDITURES:					
General Government	-	91	-	-	-
Transportation	-	-	-	-	-
Resource Development/Recreation	-	-	-	-	-
Principal Retirement	1,197	11,855	815	5,865	505
Interest/Fiscal Charges	3,958	3,133	538	12,066	110
Total Expenditures	5,155	15,079	1,353	17,931	615
Intrafund Expenditures	-	-	(82)	-	-
Net Expenditures	5,155	15,079	1,271	17,931	615
Excess of Revenues Over (Under) Expenditures	(1,246)	33,972	(486)	(17,113)	(584)
OTHER FINANCING SOURCES (USES):					
Bond Proceeds	927	-	-	-	-
Proceeds of Refunding Bonds	-	28,745	-	-	-
Payments to Refunded Bond Escrow Agent	(11,815)	(28,643)	-	(5,181)	-
Operating Transfers In	12,016	14,393	51	18,594	584
Operating Transfers Out	(4,911)	(48,912)	(412)	-	-
Total Other Financing Sources (Uses)	(3,783)	(34,417)	(361)	13,413	584
Excess of Revenues/Other Sources Over (Under) Expenditures/ Other Uses	(5,029)	(445)	(847)	(3,700)	-
Cum Eff of Chg in Acctg Prin.	-	-	-	-	-
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses After Cumulative Effect	(5,029)	(445)	(847)	(3,700)	-
FUND BALANCES - July 1 - As Previously Reported	44,936	11,324	13,304	10,041	630
Prior Period Adjustments	-	-	-	-	-
FUND BALANCES - July 1 - As Restated	44,936	11,324	13,304	10,041	630
Residual Equity Transfers	(3,866)	-	(6,348)	-	-
FUND BALANCES - June 30	$ 36,041	$ 10,879	$ 6,109	$ 6,341	$ 630

AIRPORT BONDS	SRS BLDG	RENEWABLE RESOURCE	WATER CONSERVATION BONDS	ENERGY BONDS	TOTALS YEAR ENDED JUNE 30 1993	1992
$ -	$ -	$ 169	$ -	$ -	$ 338	$ 21,475
-	-	-	-	-	30,997	24,536
-	-	-	-	-	6,889	5,517
-	-	-	-	-	10,543	9,743
-	197	-	-	-	206	240
4	-	-	12	6	3,503	3,105
-	-		-	-	15	100
-	-	-	-	-	1,966	1,699
-	-	-	-	-	607	615
4	197	169	12	6	55,064	67,030
-	-	-	-	-	(82)	(17)
4	197	169	12	6	54,982	67,013
-	-	-	-	-	91	12
-	-	-	-	-	-	2,120
-	-	-	-	-	-	273
-	124	150	12	-	20,523	33,434
-	53	48	13	-	19,919	19,886
-	177	198	25	-	40,533	55,725
-	-	-	-	-	(82)	(17)
-	177	198	25	-	40,451	55,708
4	20	(29)	(13)	6	14,531	11,305
-	-	-	-	-	927	-
-	-	-	-	-	28,745	-
-	-	-	-	-	(45,639)	-
-	-	-	-	-	45,638	49,900
(62)	-	-	-	-	(54,297)	(63,192)
(62)	-	-	-	-	(24,626)	(13,292)
(58)	20	(29)	(13)	6	(10,095)	(1,987)
-	-	-	-	-	-	3,535
(58)	20	(29)	(13)	6	(10,095)	1,548
201	76	227	340	-	81,079	66,378
-	-	-	-	-	-	6,164
201	76	227	340	-	81,079	72,542
(143)	-	200	-	-	(10,157)	6,989
$ -	$ 96	$ 398	$ 327	$ 6	$ 60,827	$ 81,079

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major governmental general fixed assets. A brief description of each Capital Projects Fund follows:

Long-Range Building Program - This fund is maintained to account for resources received and expended for the State's long-range building program. The long-range building program includes costs for the acquisition, construction and improvement of major fixed assets financed by general obligation bonds and interest earned on bond proceeds.

Federal/Private Construction Grants - This fund accounts for federal grants, private donations and federal matching funds that are restricted to general fixed asset construction.

Capital Land Grant - This fund accounts for revenues and expenditures from the capital land grant. Revenues are dedicated for the purpose of constructing capital buildings or additions thereto. Revenues may be transferred to a Debt Service Fund for the payment of principal and interest on bonds issued for capital building construction.

STATE OF MONTANA
Combining Balance Sheet
Capital Projects Funds
June 30, 1993
(Expressed in Thousands)

	LONG-RANGE BUILDING	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTALS - JUNE 30 1993	1992
ASSETS:					
Cash/Cash Equivalents	$ 7,462	$ 21	$ -	$ 7,483	$ 9,082
Receivables (Net)	170	-	-	170	188
Due from Other Funds	19	-	76	95	77
Long-Term Notes/Loans Receivable	-	-	2	2	14
Other Assets	-	-	4	4	11
TOTAL ASSETS	$ 7,651	$ 21	$ 82	$ 7,754	$ 9,372
LIABILITIES/FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 436	$ 51	$ -	$ 487	$ 448
Interfund Loans Payable	555	302	-	857	134
Due to Other Funds	9	-	-	9	10
Deferred Revenue	11	-	-	11	10
Property Held in Trust	-	-	-	-	9
Total Liabilities	1,011	353	-	1,364	611
Fund Balances:					
Reserved for Encumbrances	-	-	-	-	4
Reserved for Long-Term Loans	-	-	2	2	14
Unreserved	6,640	(332)	80	6,388	8,743
Total Fund Balances	6,640	(332)	82	6,390	8,761
TOTAL LIABILITIES/FUND BALANCES	$ 7,651	$ 21	$ 82	$ 7,754	$ 9,372

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	LONG-RANGE BUILDING	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTALS YEAR ENDED JUNE 30 1993	1992
REVENUES:					
Cigarette/Tobacco Tax	$ 3,464	$ -	$ -	$ 3,464	$ 3,559
Charges for Services/Fines/Forfeits	80	-	-	80	139
Investment Earnings	298	-	-	298	477
Grants/Contracts/Donations	-	-	-	-	1
Other Revenues	43	-	-	43	35
Total Revenues	3,885	-	-	3,885	4,211
EXPENDITURES:					
Current:					
General Government	-	-	-	-	8
Resource Development/Recreation	49	-	-	49	58
Debt Service:					
Interest/Fiscal Charges	-	-	-	-	1
Capital Outlay	3,950	332	-	4,282	4,398
Total Expenditures	3,999	332	-	4,331	4,465
Excess of Revenues Over (Under) Expenditures	(114)	(332)	-	(446)	(254)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	2	-	1,330	1,332	881
Operating Transfers Out	(819)	-	(1,304)	(2,123)	(1,846)
Total Other Financing Sources (Uses)	(817)	-	26	(791)	(965)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	(931)	(332)	26	(1,237)	(1,219)
FUND BALANCES - July 1 - As Previously Reported	8,705	-	56	8,761	8,981
Prior Period Adjustments	-	-	-	-	1,000
FUND BALANCES - July 1 - As Restated	8,705	-	56	8,761	9,981
Residual Equity Transfers	(1,134)	-	-	(1,134)	(1)
FUND BALANCES - June 30	$ 6,640	$ (332)	$ 82	$ 6,390	$ 8,761

STATE OF MONTANA
Project-Length Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - Capital Projects Fund Type
Beginning of Project to June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF STATE LANDS				
Central Management Program	$ 84	$ -	$ 45	$ 39
Total Agency	$ 84	$ -	$ 45	$ 39
DEPARTMENT OF ADMINISTRATION				
Accounting Program	-	1,450	1,245	205
Arch & Engineering Pgm	-	756	726	30
General Services Program	-	58	58	-
Total Agency	$ -	$ 2,264	$ 2,029	$ 235
LONG RANGE BUILDING PLAN				
State Nursing Home For Vets	1,992	-	261	1,731
Region 7 Hdqtrs-Miles City	950	-	904	46
Anaconda Hatchery	2,200	-	1,585	615
Arlee Hatchery	230	-	230	-
Lewistown Hatchery	163	-	163	-
1989 FW&P Go Bond Costs	45	-	37	8
Constr MDC-HB0963	8,665	-	332	8,333
Primary Elec Vault Disc. EMC	31	-	-	31
Install Fire Alarm Sys-UM	70	-	-	70
Rplc & Imprv Roofs Univ Sys	1,155	-	746	409
Imp Undrgrnd Util #1 Univ Sys	296	-	185	111
Rpr & Impr Htng Sys WMC	58	-	7	51
Impr Handicap Acc Univ Sys	335	-	20	315
Rplc Carpet-GF Vo-Tech	60	-	60	-
Imp Sidewlks/Fire Acc Univ Sys	86	-	14	72
Wndo Retro MUS Bldg Mt Tech	142	-	-	142
Cnstr Eng/Phy Sci Comp MSU	18,402	-	-	18,402
Prelim Design Bus Admin UM	184	-	184	-
Constr Bus Admin Bldg UM	13,023	-	-	13,023
Multipurpose Bldg N Ag Res Ctr	150	-	148	2
Hazardous Material Abatement	595	-	59	536
Construction Litigation A & E	345	-	330	15
Prop Acq & Dev-Cap Comp	20	-	-	20
Rplc Rf & Misc Rprs-MSDB	339	-	114	225
Expnd Security Fnc-PHS	27	-	-	27
Rplc & Rpr Rfs-Fam Svcs	128	-	9	119
Kitchen Upgrade-Stwde	5	-	-	5
Rifle Range Rehab-Stwde	10	-	-	10
Armory Addn & Alter-Stwde	1	-	-	1
Acq Land & Preplan Armory-Blgs	90	-	87	3
Exp Military Veh Comp-Stwde	5	-	-	5
Libby Armory	400	-	35	365
Rplc Wtr & Stm Lns MDC	117	-	-	117
Replace Roofs-Prison	30	-	27	3
Moisture Prot Eastmont HSC	98	-	1	97
Mt State Hosp Infra Study	112	-	112	-
Seal Bldgs Mt State Prison	25	-	-	25
Bldg Improvements Ctr For Aged	105	-	67	38
Rplc Multi Bldg Flr Mt St Hosp	27	-	-	27
Galen Repair Projects	181	-	-	181
Prelim Design-Prison	878	-	875	3
Major Expan Mt State Prison	6,705	-	83	6,622
Constr Women's Corr Ctr	10,076	-	396	9,680
Construct Fine Arts Facility-U	7,499	-	7,499	-
Repair NMC Gym	935	-	893	42
Bond Payments-DOLI	-	80	80	-
Expand Museum of Rockies-MSU	5,160	-	5,160	-
'83 Energy Retrofit,PhIII	1,000	-	997	3
Controlled Environment Facil	5,301	-	5,301	-
Const Fish Hatchery-Creston	455	-	157	298
Renovate Fish Hatchery-Big Tim	500	-	500	-
Bond Payments-WMC	-	11	11	-
Cnst Eng/Phy Sci Comp MSU	453	-	453	-
Libby Armory-HB5	110	-	-	110
Excess Int.Earning -81Bonds	-	6,000	5,740	260

(Continued on Next Page)

STATE OF MONTANA
Project-Length Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Capital Projects Fund Type
Beginning of Project to June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
LONG RANGE BUILDING PLAN				
Excess Int.Earnings-'83 Bonds	$ -	$ 7,500	$ 6,209	$ 1,291
Fire Protection-Capitol Comple	361	-	361	-
Asbestos Survey & Abtmnt-St-Wi	250	-	250	-
Sanitary Swr Expnsn-Prison	250	-	250	-
Forensic Bldg-Mt St Hosp	4,327	-	4,327	-
Remdl Cttge #16- BRSH	33	-	33	-
'85' Mtnce & Rep- Mont St Hosp	61	-	61	-
'85' Rf Rplcmnts-St Wide-Mil	293	-	243	50
Multiple Indr Frng Rngs-Mil	16	-	16	-
Armory Storage Addtns-St Wide-	28	-	28	-
Orgnztnl Mtnce Shop-Billings-M	111	-	111	-
Orgnztnl Mtnce Shop-Klspel-Mil	33	-	33	-
Orgnztnl Mtnce Shop-Msla-Mil	25	-	6	19
Orgnztnl Mtnce Shop-Belgrade-M	25	-	25	-
Orgnztnl Mtnce Shop-Clbrtsn-Mi	25	-	12	13
'85' Pnt Shops & Armories-St W	67	-	60	7
'85' Roof Rplcmnts-MSU	191	-	191	-
Jhnsn/Wlsn Hall Brk Rep-MSU	2,036	-	2,036	-
Hlth & Safety Projcts-UM	397	-	397	-
'85 Maj Mtnce & Rep-WMC	127	-	127	-
Elect Dstrbtn, Ph II-UM	550	-	550	-
Multiple Indr Frng Rngs-Mil	980	-	980	-
Armory Storage Addtns-St Wide-	504	-	504	-
Orgnztnl Mtnce Shop-Billings-M	504	-	504	-
Orgnztnl Mtnce Shop-Klspel-Mil	669	-	669	-
Orgnztnl Mtnce Shop-Msla-Mil	675	-	675	-
Orgnztnl Mtnce Shop-Belgrade-M	668	-	668	-
Orgnztnl Mtnce Shop-Clbrtsn-Mi	675	-	675	-
'85' Pnt Shps & Armrs-St Wide-	34	-	34	-
Federal Contingency Funds-Mil	198	-	198	-
A&E Pre-Planning	200	-	182	18
Fish Hatchery Expsn-Miles City	4,959	-	4,948	11
Asbestos Abatement,Ph II-Adm	500	-	500	-
Hndcpped Modifications-Cap Com	236	-	235	1
Fire Protection, Ph II-Cap Cmp	50	-	48	2
Helena Job Service Addition-L&	250	-	250	-
Repair Projects-Stillwater-Lan	28	-	28	-
Replace Roof-Chinook Armory-Mi	45	-	26	19
Federal Spending Authority-Mil	256	-	256	-
Armory Storage Addtns-St Wide-	287	-	287	-
Correct Hlth, Sfty & Fume Syst	124	-	124	-
Eliminate Pcb-EMC	20	-	18	2
Reno Fire Alarm Systems-WMC	35	-	35	-
Reno Fire Alarm Systems-MSU	35	-	35	-
Impr Elect Dist, Ph I-MSU	1,167	-	1,167	-
Misc Roof Replacement-MCMST	227	-	220	7
Misc Roof Replacement-MSU	396	-	395	1
Reroof Math Science Building	16	-	9	7
Misc Roof Replacement-UM	168	-	167	1
Rep Boiler & Mltiprps Roof-MSH	157	-	154	3
Reroof Bldg 104 & Laundry-MDC	140	-	140	-
Refurbish Water Towers-Statewi	50	-	20	30
Rem Cttges 16A, B, & C-MDC	1,038	-	1,035	3
Misc Repair Projects-MSH	61	-	47	14
Remodel Dining Room-MSH	100	-	97	3
Legal Fees & Costs-Prison	89	-	89	-
Roof Repair-Custer Lodge-PHS	144	-	144	-
Construct M-1 Bays-Statewide	30	-	11	19
Remodel Msla Armory & Do Study	12	-	-	12
Construct Livingston Armory	451	-	451	-
Lake Elmo Improvements	150	-	36	114
Replace Roofs-UM	78	-	15	63
Electrical Distrib Sys-Ph II	1,153	-	1,153	-
Replace Roofs-MSU	151	-	141	10
Replace Roofs-EMC	244	-	215	29
Exterior Door & Vestibule-WMC	14	-	14	-
Roof Replacement/Repair-MSH	120	-	120	-
Boiler Rm Water Soft-Galen-MSH	45	-	30	15
Const Low Sec Housing Unit-MSP	1,185	-	1,170	15

(Continued on Next Page)

STATE OF MONTANA
Project-Length Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Capital Projects Fund Type
Beginning of Project to June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
LONG RANGE BUILDING PLAN				
MDC Supplemental Approp	$ 290	$ -	$ 245	$ 45
Roof Replacement/Repair-MDC	232	-	232	-
Bldg Mod & Ext Light-Ctr Aged	45	-	43	2
Hazardous Material Abatement	200	-	188	12
Water Towers & Systems-Stwide	450	-	28	422
Physical Ed Bldg Roof Replace	230	-	5	225
Planning Remodel of Sub-WMC	50	-	29	21
Total Agency	$ 119,990	$ 13,591	$ 68,877	$ 64,704
ADJUTANT GENERAL				
Veterans Affairs Program	25	-	25	-
Total Agency	$ 25	$ -	$ 25	$ -
AGENCY PROGRAM TOTALS	$ 120,099	$ 15,855	$ 70,976	$ 64,978

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that provide goods or services to the public on a user charge basis. A brief description of each Enterprise Fund follows:

Housing Authority - This fund is maintained to account for activities of the Montana Board of Housing. The Board issues bonds and carries federally insured mortgage notes to provide affordable housing for lower income persons and families.

State Compensation Insurance (New Fund) - This fund accounts for premiums received for workers' compensation from participating employers, benefit payments to workers injured on or after July 1, 1990, and administrative costs of the fund.

State Compensation Insurance (Old Fund) - This fund accounts for the payroll tax assessed on each Montana employer, workers' compensation benefit payments to workers injured before July 1, 1990, and administrative costs of the fund.

Economic Development Bonds - This operation is directed by the nine-member Board of Investments, administered by the Department of Commerce. This fund accounts for the Industrial Development Bond (IDB) Program and the Montana Cash Anticipation Program. This program assists Montana's small businesses and local governments in obtaining long-term, fixed-rate financing through private Montana lending institutions.

Liquor Stores - This fund accounts for activities related to the sale and distribution of alcoholic beverages and licensing within the State. Profits and license fees are used to finance General Fund expenditures.

Hail Insurance - Any producer engaged in the growing of crops subject to damage by hail may participate in the hail insurance program. This fund accounts for premium assessments paid by producers for crop acreage insured, investment and interest earnings, administrative costs and benefits paid by the Department of Agriculture.

State Lottery - This fund accounts for the operations of Montana's lottery.

Montana Career Information System - A private organization that collects and distributes labor market and educational data in software and books to various schools and agencies. The MCIS is funded through a combination of user fees and state grants.

Montana State Prison Ranch/Industries, Swan River Vocational Training and Women's Prison Industries- These operations provide training and employment for inmates. The products produced are sold to State agencies, non-profit organizations and other customers in accordance with State policies.

Subsequent Injury - This fund accounts for the assessments collected from employers and benefits paid to workers who are certified as vocationally handicapped and are injured on the job.

Uninsured Employers - This fund accounts for fines and penalties collected from employers that do not carry workers' compensation coverage and benefits paid to their employees who are injured on the job.

FWP Snowgroomer Rental - This fund accounts for activities related to providing snowgroomer equipment to snowmobile clubs which are assessed fees for use of the equipment.

Historical Society Publications - This fund accounts for the Historical Society's sales from "Montana, The Magazine of Western History", books, publications and merchandise from the Historical Society store.

West Yellowstone Airport - This fund, administered by the Department of Transportation, accounts for operations of the airport at West Yellowstone. User airlines are assessed rent and landing fees.

Health Facilities Authority - This operation, administered by the Department of Commerce, began in fiscal year 1984. The purpose of the Authority, composed of a seven-member Board of Directors, is to contain future health care costs of the people of Montana through reduced debt financing of capital equipment and buildings for Montana's non-profit health care institutions. Bonded debt issuances are limited to $150 million per biennium. The only source of funding is fee revenues generated through loans made from bond proceeds.

Local Government Audits - This fund accounts for the costs incurred by the Department of Commerce for audits of local governments required under Section 2-7-501 through 522 of the Montana Code Annotated and the fees assessed the local governments for the audits.

Local Government Accounting and Management System - This fund, administered by the Department of Commerce, accounts for the operations of prescribing and maintaining local government accounting systems and advising and assisting local governments on accounting matters.

Department of Agriculture - This fund accounts for fees collected from persons importing, possessing or controlling alfalfa leaf-cutting bees and the costs incurred in certifying that the bees are disease free, and the application fees from the operations of the Beginning Farm Loan Program.

STATE OF MONTANA
Combining Balance Sheet
Enterprise Funds
June 30, 1993
(Expressed in Thousands)

	HOUSING AUTHORITY	STATE COMPENSATION INSURANCE (NEW FUND)	STATE COMPENSATION INSURANCE (OLD FUND)	ECONOMIC DEVELOPMENT BONDS
ASSETS:				
Cash/Cash Equivalents	$ 1,876	$ 39,308	$ 772	$ 1,548
Receivables (Net)	5,076	44,799	354	983
Due from Other Funds	217	756	3,053	3
Inventories	-	68	-	-
Long-Term Loans/Notes Receivable	384,503	13,000	-	25,545
Investments	180,449	182,575	10,818	14,651
Land	-	-	-	-
Buildings/Improvements	-	-	-	-
Equipment	165	1,425	-	37
Other Fixed Assets	-	-	-	-
Construction in Progress	-	-	-	-
Accumulated Depreciation	(123)	(498)	-	(10)
Intangible Assets	30	11	-	-
Deferred Charges	6,960	-	3,723	1,330
Other Assets	11	11,886	-	-
TOTAL ASSETS	$ 579,164	$ 293,330	$ 18,720	$ 44,087
LIABILITIES/FUND EQUITY:				
Liabilities:				
Accounts Payable	$ 6,709	$ 80	$ 774	$ 809
Lottery Prizes Payable	-	-	-	-
Advances from Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	217	808	757	9
Deferred Revenue	-	-	-	467
Installment Purchase/Lease Payable	-	-	-	-
Bonds/Notes Payable (Net)	503,939	-	149,376	40,847
Property Held in Trust	-	21,046	-	139
Compensated Absences Payable	39	480	-	10
Estimated Insurance Claims	-	296,545	365,249	-
Arbitrage Rebate Tax Payable	455	-	-	172
Other Liabilities	-	-	-	-
Total Liabilities	511,359	318,959	516,156	42,453
Fund Equity:				
Contributed Capital	-	11,998	-	23
Retained Earnings:				
Reserved for: Debt Service	66,122	-	11,323	-
Future Claims	-	-	-	-
Unreserved	1,683	(37,627)	(508,759)	1,611
Total Fund Equity	67,805	(25,629)	(497,436)	1,634
TOTAL LIABILITIES/FUND EQUITY	$ 579,164	$ 293,330	$ 18,720	$ 44,087

LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	MT CAREER INFO SYS	PRISON RANCH	SUBSEQUENT INJURY	UNINSURED EMPLOYERS	PRISON INDUSTRIES
$ 1,340	$ 4,722	$ 3,079	$ 26	$ 1,448	$ 1,150	$ 442	$ 303
62	1,217	1,670	-	173	23	1,353	69
1,852	12	7	2	40	-	6	139
5,823	-	126	-	3,223	-	-	563
-	-	-	-	-	-	-	-
-	-	-	-	-	1,782	-	-
-	-	-	-	690	-	-	-
1,736	-	-	-	1,509	-	-	506
923	20	790	-	1,428	-	-	551
-	-	4	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,233)	(15)	(589)	-	(1,618)	-	-	(449)
-	-	4	-	50	-	-	2
-	-	-	-	-	-	-	-
1,323	-	589	-	-	-	-	1
$ 11,826	$ 5,956	$ 5,680	$ 28	$ 6,943	$ 2,955	$ 1,801	$ 1,685
$ 2,859	2	$ 506	$ -	$ 44	$ -	$ 2	$ 101
-	-	2,027	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9	-	-	-	-	-	-
3,787	17	2,959	3	40	1	17	34
1,019	1,217	49	-	-	-	-	2
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,274	-	-	-	-	-	-	-
288	8	138	1	57	-	-	23
-	495	-	-	-	1,061	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,227	1,748	5,679	4	141	1,062	19	160
1,916	8	1	-	-	-	-	255
-	-	-	-	-	-	-	-
-	-	-	-	-	1,893	-	-
683	4,200	-	24	6,802	-	1,782	1,270
2,599	4,208	1	24	6,802	1,893	1,782	1,525
$ 11,826	$ 5,956	$ 5,680	$ 28	$ 6,943	$ 2,955	$ 1,801	$ 1,685

(Continued on Next Page)

STATE OF MONTANA
Combining Balance Sheet - Continued
Enterprise Funds
June 30, 1993
(Expressed in Thousands)

	FWP SNOWGROOMER RENTAL	HISTORICAL SOCIETY PUBLICATIONS	WEST YELLOWSTONE AIRPORT	HEALTH FACILITIES AUTHORITY
ASSETS:				
Cash/Cash Equivalents	$ 17	$ 239	$ 80	$ 380
Receivables (Net)	-	21	6	6
Due from Other Funds	-	-	-	1
Inventories	-	298	-	-
Long-Term Loans/Notes Receivable	-	-	-	7
Investments	-	-	-	302
Land	-	-	110	-
Buildings/Improvements	-	-	487	-
Equipment	766	43	89	13
Other Fixed Assets	-	4	-	-
Construction in Progress	-	-	-	-
Accumulated Depreciation	(307)	(22)	(329)	(7)
Intangible Assets	-	2	-	-
Deferred Charges	-	-	-	-
Other Assets	-	-	-	4
TOTAL ASSETS	$ 476	$ 585	$ 443	$ 706
LIABILITIES/FUND EQUITY:				
Liabilities:				
Accounts Payable	$ -	$ 2	$ 3	$ 1
Lottery Prizes Payable	-	-	-	-
Advances from Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	11	3	9
Deferred Revenue	-	110	-	-
Installment Purchase/Lease Payable	-	-	-	-
Bonds/Notes Payable (Net)	-	-	-	-
Property Held in Trust	-	-	-	-
Compensated Absences Payable	-	20	1	15
Estimated Insurance Claims	-	-	-	-
Arbitrage Rebate Tax Payable	-	-	-	-
Other Liabilities	-	-	-	-
Total Liabilities	-	143	7	25
Fund Equity:				
Contributed Capital	469	40	218	-
Retained Earnings:				
Reserved for: Debt Service	-	-	-	-
Future Claims	-	-	-	-
Unreserved	7	402	218	681
Total Fund Equity	476	442	436	681
TOTAL LIABILITIES/FUND EQUITY	$ 476	$ 585	$ 443	$ 706

LOCAL GOVERNMENT AUDITS	LOCAL GOVERNMENT ACCTG & MGMT SYSTEM	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS - JUNE 30 1993	TOTALS - JUNE 30 Restated 1992
$ 203	$ 95	$ 11	$ 2	$ 3	$ 57,044	$ 112,996
120	14	-	-	-	55,946	43,289
-	-	-	-	-	6,088	8,030
-	-	-	-	-	10,101	9,451
-	-	-	-	-	423,055	474,893
-	-	-	-	-	390,577	317,061
-	-	-	-	-	800	690
-	-	-	-	-	4,238	4,041
113	7	1	-	-	6,371	5,850
-	-	-	-	-	8	5
-	-	-	-	-	-	7
(57)	(6)	(1)	-	-	(5,264)	(4,577)
2	-	-	-	-	101	89
-	-	-	-	-	12,013	13,808
1	-	-	-	-	13,815	11,291
$ 382	$ 110	$ 11	$ 2	$ 3	$ 974,893	$ 996,924
$ 2	$ -	$ -	$ -	$ -	$ 11,894	$ 11,630
-	-	-	-	-	2,027	1,029
140	-	-	-	-	140	175
-	-	-	-	-	9	6
63	10	1	-	-	8,746	11,044
-	18	-	-	2	2,884	3,218
-	-	-	-	-	-	1
-	-	-	-	-	694,162	781,252
-	-	-	-	-	22,459	19,048
92	29	-	-	-	1,201	1,152
-	-	-	-	-	663,350	619,940
-	-	-	-	-	627	350
-	-	-	-	-	-	35
297	57	1	-	2	1,407,499	1,448,880
53	12	186	-	-	15,179	14,983
-	-	-	-	-	77,445	67,326
-	-	-	-	-	1,893	1,417
32	41	(176)	2	1	(527,123)	(535,682)
85	53	10	2	1	(432,606)	(451,956)
$ 382	$ 110	$ 11	$ 2	$ 3	$ 974,893	$ 996,924

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HOUSING AUTHORITY	STATE COMPENSATION INSURANCE (NEW FUND)	STATE COMPENSATION INSURANCE (OLD FUND)	ECONOMIC DEVELOPMENT BONDS
OPERATING REVENUES:				
Charges for Services	$ 71	$ 32	$ -	$ 49
Investment Earnings	50,531	10,109	1,122	3,128
Contributions/Premiums	-	169,993	889	-
Taxes	-	-	-	-
Other Operating Revenues	2	46	11	-
Total Operating Revenues	50,604	180,180	2,022	3,177
Intrafund Revenues	-	-	-	(39)
Net Operating Revenues	50,604	180,180	2,022	3,138
OPERATING EXPENSES:				
Personal Services	428	4,446	1,658	126
Contractual Services	2,088	1,771	591	14
Supplies/Materials	7	58	23	3
Expendable Equipment	-	19	-	-
Benefits	-	152,851	4,897	-
Depreciation	13	172	-	2
Amortization	10	34	-	-
Utilities/Rent	30	89	25	19
Communications	28	349	133	9
Travel	19	83	17	3
Repair/Maintenance	31	76	34	2
Lottery Prize Payments	-	-	-	-
Interest Expense	47,007	-	9,582	2,932
Arbitrage Rebate Tax	106	-	-	289
Other Operating Expenses	-	1,101	804	12
Total Operating Expenses	49,767	161,049	17,764	3,411
Intrafund Expenses	-	-	-	(39)
Net Operating Expenses	49,767	161,049	17,764	3,372
Operating Income (Loss)	837	19,131	(15,742)	(234)
NONOPERATING REVENUES (EXPENSES):				
Gain (Loss) Sale of Fixed Assets	-	-	-	(3)
Increase (Decrease) Value of Livestock	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-	(3)
Income (Loss) Before Operating Transfers	837	19,131	(15,742)	(237)
Operating Transfers In	-	-	18,274	-
Operating Transfers Out	-	(2,509)	(883)	-
Income (Loss) Before Extraordinary Items	837	16,622	1,649	(237)
Extraordinary Loss on Bond Redemption	(1,924)	-	-	-
Net Income (Loss)	(1,087)	16,622	1,649	(237)
RETAINED EARNINGS - JULY 1 - As Previously Reported with Restatement	69,392	(54,249)	(499,085)	1,495
Prior Period Adjustments	-	-	-	353
RETAINED EARNINGS - JULY 1- As Restated	69,392	(54,249)	(499,085)	1,848
Residual Equity Transfers	(500)	-	-	-
RETAINED EARNINGS - JUNE 30	$ 67,805	$ (37,627)	$ (497,436)	$ 1,611

LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	MT CAREER INFO SYS	PRISON RANCH	SUBSEQUENT INJURY	UNINSURED EMPLOYERS	PRISON INDUSTRIES
$ 40,183	$ -	$ 36,769	$ 112	$ 1,259	$ 119	$ -	$ 1,832
-	146	107	-	-	151	17	-
-	2,016	-	-	-	7	12	-
10,580	-	-	-	-	-	-	-
63	-	-	12	6	-	1,343	-
50,826	2,162	36,876	124	1,265	277	1,372	1,832
-	(175)	-	(31)	(6)	-	-	(5)
50,826	1,987	36,876	93	1,259	277	1,372	1,827
3,775	149	1,185	50	602	12	245	609
1,892	39	7,254	38	38	11	12	16
27,977	1	532	3	519	-	10	906
4	1	-	3	11	-	4	-
-	1,430	-	-	-	38	376	-
78	1	114	-	170	-	-	84
-	-	3	-	2	-	-	-
635	3	94	-	60	1	14	21
121	7	769	3	3	-	14	9
34	31	36	3	5	-	12	8
71	1	82	-	122	-	3	86
-	-	17,742	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8	-	190	-	96	1	330	33
34,595	1,663	28,001	100	1,628	63	1,020	1,772
-	(175)	-	(31)	(6)	-	-	(5)
34,595	1,488	28,001	69	1,622	63	1,020	1,767
16,231	499	8,875	24	(363)	214	352	60
(9)	-	(1)	-	-	-	-	-
-	-	-	-	936	-	-	-
(9)	-	(1)	-	936	-	-	-
16,222	499	8,874	24	573	214	352	60
-	-	-	-	-	262	-	-
(16,052)	(32)	(8,875)	-	-	-	-	-
170	467	(1)	24	573	476	352	60
-	-	-	-	-	-	-	-
170	467	(1)	24	573	476	352	60
513	3,733	-	-	6,229	1,417	1,430	1,210
-	-	1	-	-	-	-	-
513	3,733	1	-	6,229	1,417	1,430	1,210
-	-	-	-	-	-	-	-
$ 683	$ 4,200	$ -	$ 24	$ 6,802	$ 1,893	$ 1,782	$ 1,270

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	FWP SNOWGROOMER RENTAL	HISTORICAL SOCIETY PUBLICATIONS	WEST YELLOWSTONE AIRPORT	HEALTH FACILITIES AUTHORITY
OPERATING REVENUES:				
Charges for Services	$ -	$ 561	$ 4	$ 189
Investment Earnings	-	-	-	27
Contributions/Premiums	-	-	-	-
Taxes	-	-	-	-
Other Operating Revenues	-	4	38	27
Total Operating Revenues	-	565	42	243
Intrafund Revenues	-	-	-	-
Net Operating Revenues	-	565	42	243
OPERATING EXPENSES:				
Personal Services	-	200	30	51
Contractual Services	-	57	2	52
Supplies/Materials	-	275	4	2
Expendable Equipment	-	-	7	-
Benefits	-	-	-	-
Depreciation	45	2	14	1
Amortization	-	1	-	-
Utilities/Rent	-	14	8	2
Communications	-	27	2	3
Travel	-	5	1	10
Repair/Maintenance	-	2	3	-
Lottery Prize Payments	-	-	-	-
Interest Expense	-	-	-	-
Arbitrage Rebate Tax	-	-	-	-
Other Operating Expenses	-	6	1	12
Total Operating Expenses	45	589	72	133
Intrafund Expenses	-	-	-	-
Net Operating Expenses	45	589	72	133
Operating Income (Loss)	(45)	(24)	(30)	110
NONOPERATING REVENUES (EXPENSES):				
Gain (Loss) Sale of Fixed Assets	-	-	(10)	(1)
Increase (Decrease) Value of Livestock	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	(10)	(1)
Income (Loss) Before Operating Transfers	(45)	(24)	(40)	109
Operating Transfers In	-	51	22	-
Operating Transfers Out	-	-	-	-
Income (Loss) Before Extraordinary Items	(45)	27	(18)	109
Extraordinary Loss on Bond Redemption	-	-	-	-
Net Income (Loss)	(45)	27	(18)	109
RETAINED EARNINGS - JULY 1 - As Previously Reported with Restatement	52	371	228	572
Prior Period Adjustments	-	4	8	-
RETAINED EARNINGS - JULY 1- As Restated	52	375	236	572
Residual Equity Transfers	-	-	-	-
RETAINED EARNINGS - JUNE 30	$ 7	$ 402	$ 218	$ 681

LOCAL GOVERNMENT AUDITS	LOCAL GOVERNMENT ACCTG & MGMT SYSTEM	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS YEAR ENDED JUNE 30 1993	RESTATED 1992
$ 1,063	$ 139	$ 5	$ 6	$ -	$ 82,393	$ 73,299
-	-	-	-	-	65,338	71,927
-	-	-	-	-	172,917	128,866
-	-	-	-	-	10,580	9,970
-	-	-	-	2	1,554	2,040
1,063	139	5	6	2	332,782	286,102
-	-	-	-	-	(256)	(21)
1,063	139	5	6	2	332,526	286,081
798	108	4	-	1	14,477	13,859
10	2	-	-	-	13,887	12,287
13	1	1	-	-	30,335	29,374
1	-	-	-	-	50	252
-	-	-	-	-	159,592	211,161
10	1	-	-	-	707	688
3	-	-	-	-	53	131
17	2	-	-	-	1,034	1,087
18	4	-	-	-	1,499	1,496
70	24	1	-	-	362	372
6	1	-	6	-	526	587
-	-	-	-	-	17,742	13,550
-	-	-	-	-	59,521	63,758
-	-	-	-	-	395	72
93	15	-	-	-	2,702	1,983
1,039	158	6	6	1	302,882	350,657
-	-	-	-	-	(256)	(21)
1,039	158	6	6	1	302,626	350,636
24	(19)	(1)	-	1	29,900	(64,555)
(1)	-	-	-	-	(25)	(18)
-	-	-	-	-	936	(539)
(1)	-	-	-	-	911	(557)
23	(19)	(1)	-	1	30,811	(65,112)
92	51	-	-	-	18,752	12,711
-	-	-	-	-	(28,351)	(25,517)
115	32	(1)	-	1	21,212	(77,918)
-	-	-	-	-	(1,924)	-
115	32	(1)	-	1	19,288	(77,918)
(83)	9	(175)	2	-	(466,939)	(387,913)
-	-	-	-	-	366	(1,108)
(83)	9	(175)	2	-	(466,573)	(389,021)
-	-	-	-	-	(500)	-
$ 32	$ 41	$ (176)	$ 2	$ 1	$(447,785)	$(466,939)

STATE OF MONTANA
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HOUSING AUTHORITY	STATE COMPENSATION INSURANCE (NEW FUND)	STATE COMPENSATION INSURANCE (OLD FUND)	ECONOMIC DEVELOPMENT BONDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for Sales and Services	$ 71	$ 160,340	$ 691	$ 48
Collections for Principal and Interest on Loans	127,464	-	-	8,078
Cash Payments for Loans	(24,168)	-	-	(8,133)
Payments to Suppliers for Goods and Services	(2,334)	(2,559)	(1,644)	(61)
Payments to Employees	(419)	(4,305)	(1,716)	(133)
Cash Payments for Claims	-	(68,347)	(47,437)	-
Collection of Notes Receivable	-	-	80	-
Cash Payments for Prizes	-	-	-	-
Other Operating Revenues	2	78	12	-
Net Cash Provided by (Used for) Operating Activities	100,616	85,207	(50,014)	(201)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment of Principal and Interest on Bonds and Notes	(172,055)	-	(11,321)	(10,441)
Proceeds from Issuance of Bonds and Notes	32,245	-	13,000	1,439
Payment of Bond Issuance Costs	(540)	-	-	(5)
Collection of Taxes	-	-	-	-
Transfers to Other Funds	-	(2,585)	(658)	-
Transfers from Other Funds	-	-	17,313	-
Cash Payments for Loans	-	(14,636)	-	-
Collections for Principal and Interest on Loans	-	1,499	-	-
Proceeds from Interfund Loans	-	-	-	-
Interfund Loan Payments	-	-	-	-
Residual Equity Transfers to Other Funds	(500)	-	-	-
Contributed Capital Transfers from Other Funds	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(140,850)	(15,722)	18,334	(9,007)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Fixed Assets	-	(210)	-	(23)
Proceeds from Sale of Fixed Assets	-	-	-	-
Principal and Interest Payments on Bonds and Notes	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	-	(210)	-	(23)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	(1,448,248)	(209,333)	(606)	(5,045)
Proceeds from Sales or Maturities of Investments	1,474,169	85,174	23,416	7,417
Interest and Dividends on Investments	13,003	9,072	1,281	3,239
Arbitrage Rebate Tax	-	-	-	(118)
Net Cash Provided by (Used for) Investing Activities	38,924	(115,087)	24,091	5,493
Net Increase (Decrease) in Cash and Cash Equivalents	(1,310)	(45,812)	(7,589)	(3,738)
Cash and Cash Equivalents, July 1	3,186	85,120	8,361	5,286
Cash and Cash Equivalents, June 30	$ 1,876	$ 39,308	$ 772	$ 1,548

LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	MT CAREER INFO SYS	PRISON RANCH	SUBSEQUENT INJURY	UNINSURED EMPLOYERS	PRISON INDUSTRIES
$ 41,348	$ 1,721	$ 35,711	$ 110	$ 1,328	$ 119	$ -	$ 1,841
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(30,106)	(86)	(8,996)	(50)	(840)	(15)	(399)	(1,107)
(3,722)	(151)	(1,184)	(46)	(654)	(17)	(266)	(597)
-	(938)	-	-	-	(199)	(384)	-
-	-	-	-	-	-	-	-
-	-	(16,576)	-	-	-	-	-
63	-	-	12	6	7	851	-
7,583	546	8,955	26	(160)	(105)	(198)	137
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,580	-	-	-	-	-	-	-
(17,440)	(25)	(7,352)	-	-	-	-	-
-	-	-	-	-	262	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(6,860)	(25)	(7,352)	-	-	262	-	-
(70)	-	(78)	-	(171)	-	-	(130)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(70)	-	(78)	-	(171)	-	-	(130)
-	-	-	-	-	(1,214)	-	-
-	-	-	-	-	767	-	-
-	147	107	-	-	177	19	-
-	-	-	-	-	-	-	-
-	147	107	-	-	(270)	19	-
653	668	1,632	26	(331)	(113)	(179)	7
687	4,054	1,447	-	1,779	1,263	621	296
$ 1,340	$ 4,722	$ 3,079	$ 26	$ 1,448	$ 1,150	$ 442	$ 303

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	FWP SNOWGROOMER RENTAL	HISTORICAL SOCIETY PUBLICATIONS	WEST YELLOWSTONE AIRPORT	HEALTH FACILITIES AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for Sales and Services	$ -	$ 585	$ 35	$ 198
Collections for Principal and Interest on Loans	-	-	-	-
Cash Payments for Loans	-	-	-	-
Payments to Suppliers for Goods and Services	-	(383)	(27)	(79)
Payments to Employees	-	(197)	(30)	(51)
Cash Payments for Claims	-	-	-	-
Collection of Notes Receivable	-	-	-	-
Cash Payments for Prizes	-	-	-	-
Other Operating Revenues	-	4	3	27
Net Cash Provided by (Used for) Operating Activities	-	9	(19)	95
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment of Principal and Interest on Bonds and Notes	-	-	-	-
Proceeds from Issuance of Bonds and Notes	-	-	-	-
Payment of Bond Issuance Costs	-	-	-	-
Collection of Taxes	-	-	-	-
Transfers to Other Funds	-	-	-	-
Transfers from Other Funds	-	51	22	-
Cash Payments for Loans	-	-	-	-
Collections for Principal and Interest on Loans	-	-	-	-
Proceeds from Interfund Loans	-	-	-	-
Interfund Loan Payments	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-
Contributed Capital Transfers From Other Funds	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	51	22	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Fixed Assets	-	(4)	-	(4)
Proceeds from Sale of Fixed Assets	-	-	-	-
Principal and Interest Payments on Bonds and Notes	-	(1)	-	-
Net Cash Used for Capital and Related Financing Activities	-	(5)	-	(4)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	-	-	-	(100)
Proceeds from Sales or Maturities of Investments	-	-	-	-
Interest and Dividends on Investments	-	-	-	20
Arbitrage Rebate Tax	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	-	-	-	(80)
Net Increase (Decrease) in Cash and Cash Equivalents	-	55	3	11
Cash and Cash Equivalents, July 1	17	184	77	369
Cash and Cash Equivalents, June 30	$ 17	$ 239	$ 80	$ 380

LOCAL GOVERNMENT AUDITS	LOCAL GOVERNMENT ACCTG & MGMT SYSTEM	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS - JUNE 30 1993	TOTALS - JUNE 30 Restated 1992
$ 1,028	$ 110	$ 5	$ 7	$ -	$ 245,296	$ 200,757
-	-	-	-	-	135,542	132,870
-	-	-	-	-	(32,301)	(75,002)
(239)	(49)	(2)	(6)	-	(48,982)	(49,534)
(777)	(103)	(3)	-	(1)	(14,372)	(13,521)
-	-	-	-	-	(117,305)	(117,910)
-	-	-	-	-	80	135
-	-	-	-	-	(16,576)	(13,484)
-	-	-	-	2	1,067	174
12	(42)	-	1	1	152,449	64,485
-	-	-	-	-	(193,817)	(112,581)
-	-	-	-	-	46,684	207,683
-	-	-	-	-	(545)	(4,876)
-	-	-	-	-	10,580	9,970
-	-	-	-	-	(28,060)	(23,888)
92	51	-	-	-	17,791	13,909
-	-	-	-	-	(14,636)	(46,000)
-	-	-	-	-	1,499	39,306
(35)	-	-	-	-	(35)	190
-	-	-	-	-	-	(15)
-	-	-	-	-	(500)	-
-	-	-	-	-	-	26
57	51	-	-	-	(161,039)	83,724
(15)	-	-	-	-	(705)	(727)
-	-	-	-	-	-	165
-	-	-	-	-	(1)	(70)
(15)	-	-	-	-	(706)	(632)
-	-	-	-	-	(1,664,546)	(729,925)
-	-	-	-	-	1,590,943	608,052
-	-	-	-	-	27,065	30,450
-	-	-	-	-	(118)	-
-	-	-	-	-	(46,656)	(91,423)
54	9	-	1	1	(55,952)	56,154
149	86	11	1	2	112,996	56,842
$ 203	$ 95	$ 11	$ 2	$ 3	$ 57,044	$ 112,996

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HOUSING AUTHORITY	STATE COMPENSATION INSURANCE (NEW FUND)	STATE COMPENSATION INSURANCE (OLD FUND)	ECONOMIC DEVELOPMENT BONDS
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 837	$ 19,131	$ (15,742)	$ (234)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Depreciation	13	172	-	2
Amortization	10	34	-	-
Taxes	-	-	-	-
Interest Expense	47,007	-	9,582	2,932
Interest on Investments	(11,989)	(9,071)	(1,122)	(3,128)
Arbitrage Rebate Tax	106	-	-	289
Change in Assets and Liabilities:				
Decr (Incr) in Accounts Receivable	-	(12,008)	(16)	(136)
Decr (Incr) in Due From Other Funds	-	1,442	18	(1)
Decr (Incr) in Inventories	-	(9)	-	-
Decr (Incr) in Long-Term Loans/Notes Receivable	64,754	-	2	81
Decr (Incr) in Other Assets	(1)	(1,372)	-	2
Incr (Decr) in Accounts Payable	(30)	(85)	(61)	-
Incr (Decr) in Lottery Prizes Payable	-	-	-	-
Incr (Decr) in Due to Other Governments	-	-	-	-
Incr (Decr) in Due to Other Funds	(98)	42	(1,206)	(4)
Incr (Decr) in Deferred Revenue	-	-	-	-
Incr (Decr) in Property Held in Trust	-	2,335	-	-
Incr (Decr) in Other Liabilities	-	-	-	-
Incr (Decr) in Compensated Absences Payable	7	46	-	(4)
Incr (Decr) in Estimated Claims	-	84,550	(41,469)	-
Net Cash Provided by (Used for) Operating Activities	$ 100,616	$ 85,207	$ (50,014)	$ (201)
SCHEDULE OF NONCASH TRANSACTIONS:				
Fixed Asset Acquisitions from Capital Leases	$ -	$ -	$ -	$ -
Asset Acquisitions from Contributed Capital	-	5	-	-
Transfers from Other Funds	-	(19)	-	-
Asset Disposals from Contributed Capital				
Total Noncash Transactions	$ -	$ (14)	$ -	$ -

LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	MT CAREER INFO SYS	PRISON RANCH	SUBSEQUENT INJURY	UNINSURED EMPLOYERS	PRISON INDUSTRIES
$ 16,231	$ 499	$ 8,875	$ 24	$ (363)	$ 214	$ 352	$ 60
78	1	114	-	170	-	-	84
-	-	3	-	2	-	-	-
(10,580)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(146)	(107)	-	-	(151)	(17)	-
-	-	-	-	-	-	-	-
17	(140)	(1,035)	-	42	-	(509)	(4)
83	-	(2)	(2)	60	-	4	8
305	-	15	-	(5)	-	-	(4)
-	-	-	-	-	-	-	-
(1,139)	-	(10)	-	-	-	-	-
1,587	2	72	-	(11)	-	(1)	46
-	-	998	-	-	-	-	-
-	3	-	-	-	-	-	-
(22)	(6)	76	3	(59)	(6)	3	(55)
(90)	(155)	(55)	-	-	-	-	(1)
1,124	-	-	-	-	(161)	(8)	-
-	-	-	-	-	-	-	-
(11)	(4)	11	1	4	(1)	(22)	3
-	492	-	-	-	-	-	-
$ 7,583	$ 546	$ 8,955	$ 26	$ (160)	$ (105)	$ (198)	$ 137
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	FWP SNOWGROOMER RENTAL	HISTORICAL SOCIETY PUBLICATIONS	WEST YELLOWSTONE AIRPORT	HEALTH FACILITIES AUTHORITY
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	$ (45)	$ (24)	$ (30)	$ 110
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Depreciation	45	2	14	1
Amortization	-	1	-	-
Taxes	-	-	-	-
Interest Expense	-	-	-	-
Interest on Investments	-	-	-	(27)
Arbitrage Rebate Tax	-	-	-	-
CHANGE IN ASSETS AND LIABILITIES:				
Decr (Incr) in Accounts Receivable	-	13	1	8
Decr (Incr) in Due From Other Funds	-	-	-	1
Decr (Incr) in Inventories	-	9	-	-
Decr (Incr) in Long-Term Loans/Notes Receivable	-	-	-	1
Decr (Incr) in Other Assets	-	-	-	(4)
Incr (Decr) in Accounts Payable	-	(6)	1	1
Incr (Decr) in Lottery Prizes Payable	-	-	-	-
Incr (Decr) in Due to Other Governments	-	-	-	-
Incr (Decr) in Due to Other Funds	-	1	-	4
Incr (Decr) in Deferred Revenue	-	11	(4)	-
Incr (Decr) in Property Held in Trust	-	-	-	-
Incr (Decr) in Other Liabilities	-	-	-	-
Incr (Decr) in Compensated Absences Payable	-	2	(1)	-
Incr (Decr) in Estimated Claims	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	$ -	$ 9	$ (19)	$ 95
SCHEDULE OF NONCASH TRANSACTIONS:				
Fixed Asset Acquisitions from Capital Leases	$ -	$ -	$ -	$ -
Asset Acquisitions from Contributed Capital Transfers from Other Funds	-	-	209	-
Asset Disposals from Contributed Capital	-	-	-	-
Total Noncash Transactions	$ -	$ -	$ 209	$ -

LOCAL GOVERNMENT AUDITS	LOCAL GOVERNMENT ACCTG & MGMT SYSTEM	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS - JUNE 30 1993	Restated 1992
$ 24	$ (19)	$ (1)	$ -	$ 1	$ 29,900	$ (64,555)
10	1	-	-	-	707	688
3	-	-	-	-	53	5,405
-	-	-	-	-	(10,580)	(9,970)
-	-	-	-	-	59,521	58,558
-	-	-	-	-	(25,758)	(29,655)
-	-	-	-	-	395	-
(32)	4	-	-	-	(13,795)	(4,106)
-	1	-	1	-	1,613	(1,668)
-	-	-	-	-	311	(1,124)
-	-	-	-	-	64,838	15,854
1	-	-	-	-	(2,523)	(1,443)
(10)	-	-	-	-	1,505	(157)
-	-	-	-	-	998	585
-	-	-	-	-	3	6
6	1	1	-	-	(1,319)	2,237
(1)	1	-	-	-	(294)	(373)
-	-	-	-	-	3,290	1,592
(1)	(34)	-	-	-	(35)	35
12	3	-	-	-	46	161
-	-	-	-	-	43,573	92,415
$ 12	$ (42)	$ -	$ 1	$ 1	$ 152,449	$ 64,485
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	214	7
-	-	-	-	-	(19)	-
$ -	$ -	$ -	$ -	$ -	$ 195	$ 7

STATE OF MONTANA
Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - Enterprise Fund Type
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
COMMISSIONER OF HIGHER ED				
Montana Career Info System	$ 108	$ -	$ 100	$ 8
Total Agency	$ 108	$ -	$ 100	$ 8
HISTORICAL SOCIETY				
Library Program	36	-	34	2
Museum Program	4	-	4	-
Publications	543	-	543	-
Total Agency	$ 583	$ -	$ 581	$ 2
DEPT OF FISH, WILDLIFE & PARKS				
Parks Division	56	-	-	56
Total Agency	$ 56	$ -	$ -	$ 56
DEPARTMENT OF TRANSPORTATION				
Aeronautics Program	69	-	52	17
Total Agency	$ 69	$ -	$ 52	$ 17
DEPARTMENT OF REVENUE				
Directors Office	535	-	535	-
Data Processing Division	492	-	492	-
Liquor Division	35,639	-	33,276	2,363
Liquor Division	-	16,961	16,030	931
Total Agency	$ 36,666	$ 16,961	$ 50,333	$ 3,294
DEPARTMENT OF ADMINISTRATION				
State Personnel Division	1	-	-	1
Total Agency	$ 1	$ -	$ -	$ 1
STATE COMP. INS. FUND				
St. Compensation Ins. Fund	142,970	-	124,300	18,670
St. Compensation Ins. Fund	-	37,959	32,540	5,419
Total Agency	$ 142,970	$ 37,959	$ 156,840	$ 24,089
LONG RANGE BUILDING PLAN				
Departments & Agencies	27	-	7	20
Total Agency	$ 27	$ -	$ 7	$ 20
DEPARTMENT OF AGRICULTURE				
Central Management Division	27	-	27	-
Plant Industry Division	11	-	6	5
Agricultural Development	1,661	-	1,639	22
Agricultural Development	-	35	32	3
Total Agency	$ 1,699	$ 35	$ 1,704	$ 30
DEPT. CORRECTIONS & HUMAN SER				
Corrections Systems	3,734	-	3,468	266
Total Agency	$ 3,734	$ -	$ 3,468	$ 266

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Enterprise Fund Type
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF COMMERCE				
Local Gov't Services-Audit	$ 1,340	$ -	$ 1,029	$ 311
Local Gov't Services-Systems	192	-	153	39
Health Facilities Authority	142	-	136	6
Board of Housing	1,985	-	1,146	839
Investments Division	9,619	-	9,587	32
Montana State Lottery	29,647	-	27,955	1,692
Montana State Lottery	-	8,870	8,869	1
Total Agency	$ 42,925	$ 8,870	$ 48,875	$ 2,920
LABOR & INDUSTRY				
Employment Relations	1,582	-	977	605
Total Agency	$ 1,582	$ -	$ 977	$ 605
AGENCY PROGRAM TOTALS	$ 230,420	$ 63,825	$ 262,937	$ 31,308

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that provide goods or services to other agencies or programs of state government on a cost-reimbursement basis. A brief description of each Internal Service Fund follows:

Office Supplies & Equipment - Four internal service funds under the Departments of Fish, Wildlife and Parks (FWP Equipment, FWP Warehouse Inventory & FWP Office Supply) and Transportation (Highway Equipment) are used to account for inter- and intradepartmental sales and use of office supplies and equipment.

Employees Group Benefits - This fund receives employee (excluding higher education units) withholdings and State contributions to the medical self-insurance plan. The State contracted with Blue Cross and Blue Shield of Montana to oversee the administrative functions of the program.

Information Services Division (ISD) - State agencies and private users are assessed a fee for their use of the State's phone system, centralized data processing and systems design services provided by the Department of Administration.

MUS Group Insurance - This fund accounts for employee contributions to the Montana University System's (MUS) medical/dental self-insurance plan.

Admin. Insurance - The Department of Administration accounts for the State's property self-insurance program (including liability, property, flood, etc.) in this fund.

Motor Pool - State employees' transportation is provided by the Department of Transportation through a pool of vehicles. The cost of operating the Motor Pool are recovered through rental rates charged to user agencies based on the average operating costs per mile for each class of vehicle.

Admin. Property & Supply - The Department of Administration accounts for the intragovernmental sales of office supplies and paper products and federal surplus property sales to State agencies, local governments and certain other non-profit organizations in this fund.

Publications & Graphics - Agencies are assessed a fee for duplicating, typesetting, forms design and graphic arts services.

Buildings & Grounds - Rent proceeds from State agencies are used to pay maintenance, security and landscaping costs for State-owned property.

Central Services - Funds are used by the Departments of Commerce, Labor and Industry and Office of Public Instruction for administrative services provided on a cost recovery basis to programs within the departments.

DHES Indirect Cost Pool - This fund is used to account for funds collected as indirect costs from the operating units of the Department of Health and Environmental Sciences and used to fund the Department's indirect cost pool operations that provide services to the Department.

Mail & Messenger - This fund accounts for costs associated with intrastate government mail and package delivery.

Investment Division - This fund accounts for costs associated with operations of the Board of Investments. The Board assists agencies in the investment of State funds. Costs of administering and accounting for each investment fund are allocated based on the dollar volume of investments held by user agencies.

Aircraft Operations - The Department of State Lands accounts for fees charged to users of State aircraft in this fund.

Legal Services - The Attorney General's Office and the Department of Justice charge other State agencies a fee for legal assistance. The Departments of Administration and Health & Environmental Sciences funds legal services with intradepartmental fees.

Personnel Training - This fund accounts for fees charged State agencies for training State employees. The fees are used by the Department of Administration to pay instructors and purchase training materials.

Records Management - State agencies are assessed a fee for records storage and microfilm services provided by the Office of the Secretary of State.

Bad Debt Division - This fund accounts for fees charged for the collection of bad debts that have been transferred to the State Auditor's Office.

Local Government Admin. - This fund accounts for the costs incurred by the Administrator of the Local Government Assistance Division in the Department of Commerce and the allocation of these costs to other programs within the division.

Statewide Fueling Network - This fund accounts for the costs associated with the development of a statewide fueling network which will allow State agencies and local governments to utilize a single fueling network and management information system for all fueling transactions.

Natural Gas Procurement - State agencies are charged for the centralized payment of natural gas procurement and associated administrative costs as provided by the Department of Administration.

PSC Audit Reimbursement - The Public Service Commission accounts for out-of-state travel in this fund.

STATE OF MONTANA
Combining Balance Sheet
Internal Service Funds
June 30, 1993
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT
ASSETS:						
Cash/Cash Equivalents	$ 4,666	$ 10,117	$ 2,909	$ 6,330	$ 1,080	$ 466
Receivables (Net)	12	131	55	18	63	4
Interfund Loans Receivable	-	-	-	-	-	-
Due from Other Governments	1	-	-	-	-	3
Due from Other Funds	782	32	1,364	292	2	137
Inventories	-	-	8	-	-	-
Long-Term Loans/Notes Receivable	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-
Investments	-	10,498	35	-	3,199	-
Land	-	-	-	-	-	-
Buildings/Improvements	-	-	-	-	-	5
Equipment	65,549	26	31,260	34	60	6,193
Other Fixed Assets	-	-	-	-	-	-
Construction in Progress	453	-	-	-	-	-
Accumulated Depreciation	(30,243)	(17)	(24,627)	(17)	(47)	(2,781)
Intangible Assets	-	-	213	-	1	-
Deferred Charges	-	-	28	-	-	-
Other Assets	-	-	6	-	1	-
TOTAL ASSETS	$ 41,220	$ 20,787	$ 11,251	$ 6,657	$ 4,359	$ 4,027
LIABILITIES/FUND EQUITY:						
Liabilities:						
Accounts Payable	$ 130	$ 1,050	$ 749	$ 5	$ 181	$ 114
Interfund Loans Payable	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-
Due to Other Funds	510	18	252	9	63	5
Deferred Revenue	-	-	-	109	-	-
Installment Purchase/Lease Payable	-	-	1,756	-	-	-
Bonds/Notes Payable (Net)	-	-	625	-	-	-
Property Held in Trust	-	28	18	-	-	-
Compensated Absences Payable	437	23	537	17	36	6
Estimated Claims	-	5,993	-	3,200	15,431	-
Total Liabilities	1,077	7,112	3,937	3,340	15,711	125
Fund Equity:						
Contributed Capital	1,647	-	1,892	-	3	524
Retained Earnings:						
Reserved for Employee Benefits	-	13,675	-	3,317	-	-
Unreserved	38,496	-	5,422	-	(11,355)	3,378
Total Fund Equity	40,143	13,675	7,314	3,317	(11,352)	3,902
TOTAL LIABILITIES/FUND EQUITY	$ 41,220	$ 20,787	$ 11,251	$ 6,657	$ 4,359	$ 4,027

MOTOR POOL	ADMIN. PROPERTY & SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DHES INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
$ 345	$ 522	$ 584	$ 665	$ 457	$ 437	$ 957	$ 8	$ 113
2	63	-	1	-	-	-	-	-
-	-	30	-	-	4	-	-	-
-	-	-	-	-	-	-	-	-
156	170	259	6	-	126	290	11	57
-	1,594	119	-	-	-	-	178	-
-	3	-	-	-	-	-	-	-
-	-	-	-	-	-	30	-	-
-	-	-	-	-	-	-	-	-
236	-	-	-	-	-	-	-	-
-	12	-	-	-	-	-	-	-
2,646	291	1,370	251	493	150	137	-	74
-	-	-	-	-	3	-	-	-
-	-	-	-	-	-	-	-	-
(1,475)	(98)	(941)	(163)	(353)	(38)	(57)	-	(42)
-	59	6	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	17	-	104	-	4	1	-	101
$ 1,910	$ 2,633	$ 1,427	$ 864	$ 597	$ 686	$ 1,358	$ 197	$ 303
$ 37	$ 83	$ 150	$ 142	$ 2	$ 28	$ 6	$ 1	$ 5
-	-	-	-	-	-	-	25	220
-	-	-	-	-	-	-	-	-
11	36	48	82	(127)	84	96	4	14
-	-	-	-	-	-	-	-	-
-	131	-	-	-	-	-	-	2
-	-	-	-	-	-	-	-	-
-	21	-	-	3	2	-	-	-
4	43	53	71	234	168	166	2	26
-	-	-	-	-	-	-	-	-
52	314	251	295	366	282	268	32	267
5	1,193	-	7	-	24	279	85	-
-	-	-	-	-	-	-	-	-
1,853	1,126	1,176	562	231	380	811	80	36
1,858	2,319	1,176	569	231	404	1,090	165	36
$ 1,910	$ 2,633	$ 1,427	$ 864	$ 597	$ 686	$ 1,358	$ 197	$ 303

(Continued on Next Page)

STATE OF MONTANA
Combining Balance Sheet - Continued
Internal Service Funds
June 30, 1993
(Expressed in Thousands)

	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
ASSETS:						
Cash/Cash Equivalents	$ 183	$ 160	$ 52	$ 78	$ 51	$ 18
Receivables (Net)	-	-	4	-	2	2
Interfund Loans Receivable	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Due from Other Funds	58	24	78	31	5	36
Inventories	-	-	-	-	-	-
Long-Term Loans/Notes Receivable	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Land	-	-	-	-	-	-
Buildings/Improvements	-	-	-	-	-	-
Equipment	130	-	95	55	36	179
Other Fixed Assets	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-
Accumulated Depreciation	(52)	-	(52)	(28)	(22)	(141)
Intangible Assets	8	-	-	-	1	-
Deferred Charges	-	-	-	-	-	-
Other Assets	5	-	-	-	1	-
TOTAL ASSETS	$ 332	$ 184	$ 177	$ 136	$ 74	$ 94
LIABILITIES/FUND EQUITY:						
Liabilities:						
Accounts Payable	$ 4	$ 24	$ 3	$ 6	$ -	$ 2
Interfund Loans Payable	-	-	-	-	-	40
Advances from Other Funds	-	-	-	-	-	-
Due to Other Funds	77	2	25	87	10	13
Deferred Revenue	-	-	-	-	-	-
Installment Purchase/Lease Payable	18	-	-	-	-	-
Bonds/Notes Payable (Net)	-	-	-	-	-	-
Property Held in Trust	-	-	-	-	-	-
Compensated Absences Payable	99	4	55	43	14	13
Estimated Claims	-	-	-	-	-	-
Total Liabilities	198	30	83	136	24	68
Fund Equity:						
Contributed Capital	22	-	15	-	1	124
Retained Earnings:						
Reserved for Employee Benefits	-	-	-	-	-	-
Unreserved	112	154	79	-	49	(98)
Total Fund Equity	134	154	94	-	50	26
TOTAL LIABILITIES/FUND EQUITY	$ 332	$ 184	$ 177	$ 136	$ 74	$ 94

FWP OFFICE SUPPLY	DHES LEGAL	BAD DEBT	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	PSC AUDIT REIMBURSE-MENTS	TOTALS - JUNE 30 1993	Restated 1992
$ 5	$ 26	$ 16	$ 6	$ -	$ 30	$ -	$ 4	$ 30,285	$ 24,959
-	-	-	-	-	-	-	1	358	341
-	-	-	-	-	-	-	-	34	41
-	-	-	-	-	-	-	-	4	48
1	19	2	-	7	-	-	1	3,946	4,220
7	-	-	-	-	-	-	-	1,906	1,317
-	-	-	-	-	-	-	-	3	3
-	-	-	-	-	-	-	-	30	-
-	-	-	-	-	-	-	-	13,732	13,612
-	-	-	-	-	-	-	-	236	236
-	-	-	-	-	-	-	-	17	17
77	-	2	-	-	-	11	-	109,119	103,834
-	-	-	-	-	-	-	-	3	3
-	-	-	-	-	-	-	-	453	1,384
(57)	-	(1)	-	-	-	(4)	-	(61,256)	(55,304)
-	-	-	-	-	-	-	-	288	587
-	-	-	-	-	-	-	-	28	56
-	-	-	-	-	-	-	-	240	232
$ 33	$ 45	$ 19	$ 6	$ 7	$ 30	$ 7	$ 6	$ 99,426	$ 95,586
$ -	$ -	$ 1	$ -	$ -	$ -	$ -	$ -	$ 2,723	$ 3,047
-	-	-	-	-	30	-	-	315	332
-	30	-	-	-	-	-	-	30	-
5	9	10	3	7	-	-	1	1,608	1,864
-	-	-	-	-	-	-	-	109	557
-	-	-	-	-	-	-	-	1,907	4,888
-	-	-	-	-	-	-	-	625	2,090
-	-	-	-	-	-	-	-	72	69
14	16	5	14	27	-	-	-	2,127	1,985
-	-	-	-	-	-	-	-	24,624	24,287
19	55	16	17	34	30	-	1	34,140	39,119
25	2	2	-	-	-	-	-	5,850	4,925
-	-	-	-	-	-	-	-	16,992	10,629
(11)	(12)	1	(11)	(27)	-	7	5	42,444	40,913
14	(10)	3	(11)	(27)	-	7	5	65,286	56,467
$ 33	$ 45	$ 19	$ 6	$ 7	$ 30	$ 7	$ 6	$ 99,426	$ 95,586

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT
OPERATING REVENUES:						
Charges for Services	$ 14,256	$ -	$ 18,285	$ -	$ -	$ 1,328
Investment Earnings	-	1,131	72	175	415	-
Premiums	-	35,424	-	16,195	4,244	-
Other Operating Revenues	2	5	-	-	76	-
Total Operating Revenues	14,258	36,560	18,357	16,370	4,735	1,328
Intrafund Revenues	-	-	(32)	-	-	-
Net Operating Revenues	14,258	36,560	18,325	16,370	4,735	1,328
OPERATING EXPENSES:						
Personal Services	4,167	280	4,498	110	414	78
Contractual Services	255	853	462	1,132	2,056	91
Supplies/Materials	2,347	18	278	7	13	382
Expendable Equipment	-	-	55	1	-	-
Benefits	-	30,637	-	13,015	2,908	-
Depreciation	3,995	5	3,947	3	7	576
Amortization	-	-	345	-	1	-
Utilities/Rent	44	7	1,526	-	9	12
Communications	8	13	5,138	5	12	4
Travel	29	4	72	8	11	-
Repair/Maintenance	1,963	1	673	-	3	281
Interest Expense	-	-	602	-	-	-
Other Operating Expenses	54	43	165	421	14	14
Total Operating Expenses	12,862	31,861	17,761	14,702	5,448	1,438
Intrafund Expenses	-	-	(32)	-	-	-
Net Operating Expenses	12,862	31,861	17,729	14,702	5,448	1,438
Operating Income (Loss)	1,396	4,699	596	1,668	(713)	(110)
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) Sale of Fixed Assets	(76)	(3)	-	-	-	118
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(76)	(3)	-	-	-	118
Income (Loss) before Operating Transfers	1,320	4,696	596	1,668	(713)	8
Operating Transfers In	-	-	121	-	-	161
Net Income (Loss)	1,320	4,696	717	1,668	(713)	169
RETAINED EARNINGS - July 1 - As Previously Reported with Restatement	37,176	8,980	4,705	1,649	(10,640)	3,203
Prior Period Adjustments	-	(1)	-	-	(2)	6
RETAINED EARNINGS - JULY 1 - As Restated	37,176	8,979	4,705	1,649	(10,642)	3,209
Residual Equity Transfers	-	-	-	-	-	-
RETAINED EARNINGS - JUNE 30	$ 38,496	13,675	$ 5,422	$ 3,317	$ (11,355)	$ 3,378

MOTOR POOL	ADMIN. PROPERTY & SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DHES INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
$ 961	$ 3,411	$ 5,399	$ 3,438	$ 687	$ 1,857	$ 396	$ 152	$ 2,412
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
961	3,411	5,399	3,438	687	1,857	396	152	2,412
-	-	-	-	(68)	(11)	-	-	-
961	3,411	5,399	3,438	619	1,846	396	152	2,412
155	606	830	758	2,332	1,530	1,248	30	283
36	63	34	1,351	106	106	244	3	5
163	2,638	3,883	94	93	20	31	101	5
10	7	-	11	-	9	1	-	7
-	-	-	-	-	-	-	-	-
420	36	140	17	187	18	25	-	7
-	25	3	1	-	4	-	-	-
8	80	82	951	23	65	36	1	13
2	44	21	8	37	25	16	-	2,125
-	33	2	13	22	11	4	-	9
44	35	247	317	48	66	16	1	14
-	10	-	-	-	-	-	-	1
1	13	4	30	94	88	26	-	1
839	3,590	5,246	3,551	2,942	1,942	1,647	136	2,470
-	-	-	-	(68)	(11)	-	-	-
839	3,590	5,246	3,551	2,874	1,931	1,647	136	2,470
122	(179)	153	(113)	(2,255)	(85)	(1,251)	16	(58)
(26)	(15)	(6)	-	-	1	-	-	(2)
-	-	-	-	2,211	77	1,585	-	-
(26)	(15)	(6)	-	2,211	78	1,585	-	(2)
96	(194)	147	(113)	(44)	(7)	334	16	(60)
-	-	-	58	-	-	-	-	-
96	(194)	147	(55)	(44)	(7)	334	16	(60)
1,975	1,322	1,071	617	(74)	387	477	64	96
-	(2)	4	-	349	-	-	-	-
1,975	1,320	1,075	617	275	387	477	64	96
(218)	-	(46)	-	-	-	-	-	-
$ 1,853	$ 1,126	$ 1,176	$ 562	$ 231	$ 380	$ 811	$ 80	$ 36

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
OPERATING REVENUES:						
Charges for Services	$ 1,589	$ 224	$ 595	$ 72	$ 168	$ 343
Investment Earnings	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenues	1,589	224	595	72	168	343
Intrafund Revenues	-	-	-	-	-	-
Net Operating Revenues	1,589	224	595	72	168	343
OPERATING EXPENSES:						
Personal Services	1,134	61	474	565	117	224
Contractual Services	78	-	44	139	31	10
Supplies/Materials	36	57	7	10	12	35
Expendable Equipment	-	8	8	16	-	10
Benefits	-	-	-	-	-	-
Depreciation	14	-	8	8	3	38
Amortization	-	-	-	-	1	-
Utilities/Rent	104	32	10	174	7	49
Communications	32	-	9	46	14	4
Travel	25	-	10	1	12	2
Repair/Maintenance	43	212	4	7	2	5
Interest Expense	-	-	1	-	-	-
Other Operating Expenses	120	-	2	5	3	1
Total Operating Expenses	1,586	370	577	971	202	378
Intrafund Expenses	-	-	-	-	-	-
Net Operating Expenses	1,586	370	577	971	202	378
Operating Income (Loss)	3	(146)	18	(899)	(34)	(35)
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	499	-	-
Total Nonoperating Revenues (Expenses)	-	-	-	499	-	-
Income (Loss) before Operating Transfers	3	(146)	18	(400)	(34)	(35)
Operating Transfers In	-	-	-	365	-	-
Net Income (Loss)	3	(146)	18	(35)	(34)	(35)
RETAINED EARNINGS - July 1 - As Previously Reported with Restatement	102	300	61	20	78	(43)
Prior Period Adjustments	7	-	-	15	5	-
RETAINED EARNINGS - JULY 1 - As Restated	109	300	61	35	83	(43)
Residual Equity Transfers	-	-	-	-	-	(20)
RETAINED EARNINGS - JUNE 30	$ 112	$ 154	$ 79	$ -	$ 49	$ (98)

FWP OFFICE SUPPLY	DHES LEGAL	BAD DEBT	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	NATURAL GAS PROCUREMENT	PSC AUDIT REIMBURSE-MENTS	TOTALS YEAR ENDED JUNE 30 1993	RESTATED 1992
$ 96	$ 141	$ 142	$ 70	$ 122	$ 57	$ 16	$ 56,217	$ 55,480
-	-	-	-	-	-	-	1,793	1,869
-	-	-	-	-	-	-	55,863	47,936
-	-	-	-	-	-	-	83	303
96	141	142	70	122	57	16	113,956	105,588
-	-	-	-	-	-	-	(111)	(7)
96	141	142	70	122	57	16	113,845	105,581
68	127	126	64	118	-	-	20,397	18,842
-	1	19	2	1	-	-	7,122	6,761
17	2	3	-	-	-	-	10,252	11,198
-	-	7	-	-	-	-	150	1,365
-	-	-	-	-	-	-	46,560	59,508
8	-	-	-	-	3	-	9,465	9,495
-	-	-	-	-	-	-	380	387
2	-	5	2	-	55	-	3,297	3,212
1	1	10	1	1	1	-	7,578	8,006
-	-	-	-	-	-	16	284	319
15	1	1	-	-	-	-	3,999	3,479
-	-	-	-	-	-	-	614	536
-	21	-	-	10	-	-	1,130	979
111	153	171	69	130	59	16	111,228	124,087
-	-	-	-	-	-	-	(111)	(7)
111	153	171	69	130	59	16	111,117	124,080
(15)	(12)	(29)	1	(8)	(2)	-	2,728	(18,499)
-	-	-	-	-	-	-	(9)	(159)
-	-	-	-	-	-	-	4,372	6,454
-	-	-	-	-	-	-	4,363	6,295
(15)	(12)	(29)	1	(8)	(2)	-	7,091	(12,204)
-	-	-	-	-	-	-	705	743
(15)	(12)	(29)	1	(8)	(2)	-	7,796	(11,461)
4	-	30	(12)	(19)	8	5	51,542	64,926
-	-	-	-	-	1	-	382	175
4	-	30	(12)	(19)	9	5	51,924	65,101
-	-	-	-	-	-	-	(284)	(2,098)
$ (11)	$ (12)	$ 1	$ (11)	$ (27)	$ 7	$ 5	$ 59,436	$ 51,542

STATE OF MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT	MOTOR POOL
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts for Sales and Services	$ 14,561	$ 35,427	17,870	$ 15,983	$ 4,244	$ 1,327	$ 963
Payments to Suppliers for Goods and Services	(5,096)	(883)	(8,524)	(1,636)	(2,030)	(798)	(272)
Payments to Employees	(4,080)	(276)	(4,332)	(111)	(406)	(79)	(152)
Grant Receipts	-	-	-	-	-	-	-
Cash Payments for Claims	-	(30,371)	-	(13,053)	(2,579)	-	-
Transfers from Other Funds	-	-	121	-	-	-	-
Other Operating Revenue	-	5	-	-	76	-	-
Net cash Provided by (Used for) Operating Activities	5,385	3,902	5,135	1,183	(695)	450	539
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers from Other Funds	-	-	-	-	-	305	-
Cash Payments for Loans	-	-	-	-	-	-	-
Proceeds from Interfund Loans	-	-	-	26	-	-	-
Interfund Loan Payments	-	-	-	-	-	-	(62)
Residual Equity Transfers to Other Funds	-	-	-	-	-	-	(218)
Contributed Capital Transfers from Other Funds	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	-	26	-	305	(280)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of Fixed Assets	(4,381)	(4)	(2,202)	(5)	(2)	(807)	(483)
Proceeds from Sale of Fixed Assets	577	1	503	-	-	258	13
Principal and Interest Payments on Bonds and Notes	-	(1)	(5,864)	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	(3,804)	(4)	(7,563)	(5)	(2)	(549)	(470)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of Investments	-	(5,143)	-	-	(1,801)	-	-
Proceeds from Sales or Maturities of Investments	-	3,930	605	-	2,301	-	-
Interest and Dividends on Investments	-	1,173	24	174	416	-	-
Net Cash Provided by (Used for) Investing Activities	-	(40)	629	174	916	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,581	3,858	(1,799)	1,378	219	206	(211)
Cash and Cash Equivalents, July 1	3,085	6,259	4,708	4,952	861	260	556
Cash and Cash Equivalents, June 30	$ 4,666	$ 10,117	2,909	$ 6,330	$ 1,080	$ 466	$ 345

ADMIN. PROPERTY & SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DHES INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
$ 3,367	$ 5,369	$ 3,501	$ 619	$ 1,844	$ 396	$ 154	$ 2,418
(3,409)	(4,322)	(2,834)	(364)	(358)	(363)	(166)	(2,195)
(595)	(824)	(746)	(2,126)	(1,518)	(1,194)	(29)	(282)
-	-	-	1,807	63	1,552	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(637)	223	(79)	(64)	31	391	(41)	(59)
-	-	58	-	-	-	-	-
-	-	-	-	-	(30)	-	-
-	-	-	-	15	-	25	270
-	(30)	-	-	(4)	-	-	(250)
-	(46)	-	-	-	-	-	-
729	-	-	-	-	-	-	-
729	(76)	58	-	11	(30)	25	20
(52)	(157)	(24)	(38)	(10)	(60)	-	-
2	6	1	-	-	33	-	-
-	-	-	-	-	-	-	(1)
(50)	(151)	(23)	(38)	(10)	(27)	-	(1)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42	(4)	(44)	(102)	32	334	(16)	(40)
480	588	709	559	405	623	24	153
$ 522	$ 584	$ 665	$ 457	$ 437	$ 957	$ 8	$ 113

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for Sales and Services	$ 1,656	$ 216	$ 562	$ 72	$ 183	$ 333
Payments to Suppliers for Goods and Services	(468)	(300)	(96)	(378)	(97)	(115)
Payments to Employees	(1,126)	(62)	(470)	(556)	(115)	(220)
Grant Receipts	-	-	-	511	-	-
Cash Payments for Claims	-	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Net cash Provided by (Used for) Operating Activities	62	(146)	(4)	(351)	(29)	(2)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from Other Funds	-	-	-	415	-	-
Cash Payments for Loans	-	-	-	-	-	-
Proceeds from Interfund Loans	-	-	-	-	-	-
Interfund Loan Payments	-	-	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	-	(20)
Contributed Capital Transfers from Other Funds	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	-	415	-	(20)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of Fixed Assets	(44)	-	-	-	(4)	-
Proceeds from Sale of Fixed Assets	-	-	-	-	-	-
Principal and Interest Payments on Bonds and Notes	(7)	-	-	-	(1)	-
Net Cash Used for Capital and Related Financing Activities	(51)	-	-	-	(5)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investments	-	-	-	-	-	-
Proceeds from Sales or Maturities of Investments	-	-	-	-	-	-
Interest and Dividends on Investments	-	-	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	11	(146)	(4)	64	(34)	(22)
Cash and Cash Equivalents, July 1	172	306	56	14	85	40
Cash and Cash Equivalents, June 30	$ 183	$ 160	$ 52	$ 78	$ 51	$ 18

FWP OFFICE SUPPLY	DHES LEGAL	BAD DEBT	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	PSC AUDIT REIMBURSE-MENTS	TOTALS - JUNE 30 1993	TOTALS - JUNE 30 Restated 1992
$ 104	$ 160	$ 154	$ 72	$ 121	$ -	$ 57	$ 15	$ 111,748	$ 104,756
(37)	(31)	(42)	(5)	(12)	-	(56)	(15)	(34,902)	(35,099)
(65)	(124)	(125)	(63)	(113)	-	-	-	(19,789)	(18,476)
-	-	-	-	-	-	-	-	3,933	6,212
-	-	-	-	-	-	-	-	(46,003)	(44,877)
-	-	-	-	-	-	-	-	121	332
-	-	-	-	-	-	-	-	81	303
2	5	(13)	4	(4)	-	1	-	15,189	13,151
-	-	-	-	-	-	-	-	778	451
-	-	-	-	-	-	-	-	(30)	-
-	30	-	-	-	30	-	-	396	120
-	(30)	-	-	-	-	-	-	(376)	(193)
-	-	-	-	-	-	-	-	(284)	(794)
-	-	-	-	-	-	-	-	729	139
-	-	-	-	-	30	-	-	1,213	(277)
-	-	-	-	-	-	(2)	-	(8,275)	(6,794)
-	-	-	-	-	-	-	-	1,394	1,016
-	-	-	-	-	-	-	-	(5,874)	(4,319)
-	-	-	-	-	-	(2)	-	(12,755)	(10,097)
-	-	-	-	-	-	-	-	(6,944)	(3,802)
-	-	-	-	-	-	-	-	6,836	3,512
-	-	-	-	-	-	-	-	1,787	1,885
-	-	-	-	-	-	-	-	1,679	1,595
2	5	(13)	4	(4)	30	(1)	-	5,326	4,372
3	21	29	2	4	-	1	4	24,959	20,587
$ 5	$ 26	$ 16	$ 6	$ -	$ 30	$ -	$ 4	$ 30,285	$ 24,959

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT	MOTOR POOL
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Operating Income (Loss)	$ 1,396	$ 4,699	596	$ 1,668	$ (713)	$ (110)	$ 122
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:							
Depreciation	3,995	5	3,947	3	7	576	420
Amortization	-	-	345	-	1	-	-
Interest on Investments	-	(1,131)	(72)	(175)	(415)	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-	-
Interest Expense	-	-	602	-	-	-	-
Operating Transfers-In	-	-	121	-	-	-	-
Change in Assets and Liabilities:							
Decr (Incr) in Accounts Receivable	6	-	(11)	(18)	-	2	-
Decr (Incr) in Due From Other Governments	-	-	-	-	-	13	5
Decr (Incr) in Due From Other Funds	296	(8)	(390)	(150)	-	(13)	(3)
Decr (Incr) in Inventories	-	-	7	-	-	-	-
Decr (Incr) in Other Assets	-	-	(1)	-	-	-	-
Incr (Decr) in Accounts Payable	8	313	(130)	(101)	87	(17)	(7)
Incr (Decr) in Due to Other Funds	(316)	(18)	69	-	4	-	2
Incr (Decr) in Deferred Revenue	-	-	-	(44)	-	-	-
Incr (Decr) in Property Held in Trust	-	28	(4)	-	-	-	-
Incr (Decr) in Compensated Absences Payable	-	7	56	-	6	(1)	-
Incr (Decr) in Estimated Claims	-	7	-	-	328	-	-
Net Cash Provided by (Used for) Operating Activities	$ 3,385	$ 3,902	5,135	$ 1,183	$ (695)	$ 450	$ 539
SCHEDULE OF NONCASH TRANSACTIONS:							
Fixed Asset Acquisitions from Capital Leases	$ -	$ -	275	$ -	$ -	$ -	$ -
Asset Acquisitions from Contributed Capital Transfers from Other Funds	187	-	-	-	3	-	-
Asset Disposals from Contributed Capital	(76)	-	(12)	-	-	(1)	-
Total Noncash Transactions	$ 111	$ -	263	$ -	$ 3	$ (1)	$ -

ADMIN. PROPERTY & SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DHES INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
$ (179)	$ 153	$ (113)	$ (2,255)	$ (85)	$ (1,251)	$ 16	$ (58)
36	140	17	187	18	25	-	7
25	3	1	-	4	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,211	78	1,585	-	-
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-
(41)	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
(14)	(31)	63	9	(15)	(25)	1	5
(503)	(46)	-	-	-	-	(39)	-
(9)	9	(6)	-	11	3	-	(21)
26	(12)	(26)	(5)	16	(4)	(22)	5
(7)	9	5	15	-	36	2	-
-	-	-	(403)	-	-	-	-
21	-	(32)	(11)	2	-	-	-
8	(3)	12	188	2	22	1	2
-	-	-	-	-	-	-	-
$ (637)	$ 223	$ (79)	$ (64)	$ 31	$ 391	$ (41)	$ (59)
$ 115	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,778	-	2	-	20	-	-	-
(1,048)	-	-	-	(3)	-	-	-
$ 845	$ -	$ 2	$ -	$ 17	$ -	$ -	$ -

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	$ 3	$ (146)	$ 18	$ (899)	$ (34)	$ (35)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Depreciation	14	-	8	8	3	38
Amortization	-	-	-	-	1	-
Interest on Investments	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	499	-	-
Interest Expense	1	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Change in Assets and Liabilities:						
Decr (Incr) in Accounts Receivable	1	-	1	-	4	2
Decr (Incr) in Due From Other Governments	-	-	-	-	-	-
Decr (Incr) in Due From Other Funds	67	(8)	(33)	35	10	(11)
Decr (Incr) in Inventories	-	-	-	-	-	-
Decr (Incr) in Other Assets	-	-	-	-	5	(1)
Incr (Decr) in Accounts Payable	(21)	9	(2)	6	(18)	2
Incr (Decr) in Due to Other Funds	(6)	(1)	2	(1)	(1)	2
Incr (Decr) in Deferred Revenue	-	-	-	-	-	-
Incr (Decr) in Property Held in Trust	-	-	-	-	-	-
Incr (Decr) in Compensated Absences Payable	3	-	2	1	1	1
Incr (Decr) in Estimated Claims	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	$ 62	$ (146)	$ (4)	$ (351)	$ (29)	$ (2)
SCHEDULE OF NONCASH TRANSACTIONS:						
Fixed Asset Acquisitions from Capital Leases	$ -	$ -	$ -	$ -	$ -	$ -
Asset Acquisitions from Contributed Capital Transfers from Other Funds	-	-	-	-	-	76
Asset Disposals from Contributed Capital	-	-	-	-	-	-
Total Noncash Transactions	$ -	$ -	$ -	$ -	$ -	$ 76

FWP OFFICE SUPPLY	DHES LEGAL	BAD DEBT	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	PSC AUDIT REIMBURSE-MENTS	TOTALS - JUNE 30 1993	Restated 1992
$ (15)	$ (12)	$ (29)	$ 1	$ (8)	$ -	$ (2)	$ -	$ 2,728	$ (18,499)
8	-	-	-	-	-	3	-	9,465	9,495
-	-	-	-	-	-	-	-	380	388
-	-	-	-	-	-	-	-	(1,793)	(1,868)
-	-	-	-	-	-	-	-	4,373	6,454
-	-	-	-	-	-	-	-	604	534
-	-	-	-	-	-	-	-	121	109
-	-	-	-	-	-	-	-	(54)	27
-	26	-	-	-	-	-	-	45	(23)
8	(11)	12	2	(1)	-	-	(1)	(206)	1,746
(1)	-	-	-	-	-	-	-	(582)	32
-	-	-	-	-	-	-	-	(10)	13
-	-	-	-	-	-	-	-	107	(52)
1	1	3	-	1	-	-	1	(197)	347
-	-	-	-	-	-	-	-	(447)	(359)
-	-	-	-	-	-	-	-	4	10
1	1	1	1	4	-	-	-	316	206
-	-	-	-	-	-	-	-	335	14,591
$ 2	$ 5	$ (13)	$ 4	$ (4)	$ -	$ 1	$ -	$ 15,189	$ 13,151
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 390	$ 1,938
-	-	-	-	-	-	-	-	2,066	236
-	-	-	-	-	-	-	-	(1,140)	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,316	$ 2,174

STATE OF MONTANA
Schedule of Expenditures and Transfers Out
Budget and Actual (Budget Basis) - Internal Service Fund Type
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	[illegible]	Variance (Unfavorable)
SECRETARY OF STATES OFFICE				
Records Management	$ 359	$ -	$ 339	$ 20
Total Agency	$ 359	$ -	$ 339	$ 20
STATE AUDITORS OFFICE				
Fiscal Control and Management	196	-	169	27
Total Agency	$ 196	$ -	$ 169	$ 27
OFFICE OF PUBLIC INSTRUCTION				
OPI Administration	951	-	951	-
Total Agency	$ 951	$ -	$ 951	$ -
DEPARTMENT OF JUSTICE				
Agency Legal Services	616	-	549	67
Central Services Division	17	-	17	-
Total Agency	$ 633	$ -	$ 566	$ 67
PUBLIC SERVICE REGULATION				
Public Service Regulation Prog	19	-	16	3
Total Agency	$ 19	$ -	$ 16	$ 3
COMMISSIONER OF HIGHER ED				
MUS Group Insurance Program	16,195	-	14,688	1,507
Total Agency	$ 16,195	$ -	$ 14,688	$ 1,507
DEPT OF FISH, WILDLIFE & PARKS				
Administration & Finance Div.	1,961	-	1,891	70
Field Services & R-8 Division	159	-	106	53
Parks Division	251	-	247	4
Total Agency	$ 2,371	$ -	$ 2,244	$ 127
DEPT HEALTH & ENVIRON SCIENCES				
Director's Office	511	-	509	2
Central Services	1,133	-	1,104	29
Environmental Sciences	163	-	163	-
Total Agency	$ 1,807	$ -	$ 1,776	$ 31
DEPARTMENT OF TRANSPORTATION				
State Motor Pool	991	-	918	73
Equipment Program	13,635	-	13,632	3
Total Agency	$ 14,626	$ -	$ 14,550	$ 76
DEPARTMENT OF STATE LANDS				
Central Management Program	384	-	354	30
Total Agency	$ 384	$ -	$ 354	$ 30
DEPARTMENT OF ADMINISTRATION				
Director's Office	$ 70	$ -	$ 70	$ -
Accounting Program	63	-	63	-
Procurement & Printing Div.	9,611	-	8,415	1,196

(Continued on Next Page)

STATE OF MONTANA
Schedule of Expenditures and Transfers Out - Continued
Budget and Actual (Budget Basis) - Internal Service Fund Type
For Fiscal Year Ending June 30, 1993 (Expressed in Thousands)

Agency/Program/Project	Appropriated Expenditures	Appropriated Transfer Out	Actual	Variance (Unfavorable)
DEPARTMENT OF ADMINISTRATION				
Information Services Division	20,691	-	20,445	246
General Services Program	3,504	-	3,198	306
Mail & Distribution Bureau	2,582	-	2,462	120
State Personnel Division	44,752	-	32,064	12,688
Risk Management & Tort Defense	6,111	-	5,093	1,018
Total Agency	$ 87,384	$ -	$ 71,810	$ 15,574
LONG RANGE BUILDING PLAN				
Departments & Agencies	39	-	-	39
Total Agency	$ 39	$ -	$ -	$ 39
DEPARTMENT OF COMMERCE				
Public Safety Division	69	-	67	2
POL Bureau	1,002	-	970	32
Local Govt Assistance Admin	128	-	126	2
Investments Division	1,576	-	1,563	13
Director/Management Services	895	-	847	48
Total Agency	$ 3,670	$ -	$ 3,573	$ 97
LABOR & INDUSTRY				
Commissioner's Office	2,900	-	2,519	381
Employment Relations	-	-	-	-
Legal Services Division	133	-	129	4
Total Agency	$ 3,033	$ -	$ 2,648	$ 385
AGENCY PROGRAM TOTALS	$ 131,667	$ -	$ 113,684	$ 17,983

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include: (1) Expendable Trust Funds; (2) Nonexpendable Trust Funds; (3) Pension Trust Funds; and (4) Agency Funds.

STATE OF MONTANA
Combining Balance Sheet
All Trust and Agency Fund Types
June 30, 1993
(Expressed in Thousands)

	EXPENDABLE TRUSTS	NON-EXPENDABLE TRUSTS	PENSION TRUSTS	AGENCY	TOTALS - JUNE 30 1993	1992
ASSETS:						
Cash/Cash Equivalents	$ 91,049	$ 119,172	$ 126,030	$ 644,156	$ 980,407	$ 667,305
Receivables (Net)	1,286	19,893	43,847	14,274	79,300	64,595
Interfund Loans Receivable	-	-	-	220	220	370
Due from Other Governments	-	-	-	64	64	472
Due from Other Funds	9	589	9,741	20,322	30,661	31,093
Equity in Pooled Investments	90	108	474,192	57,605	531,995	483,127
Long-Term Loans Receivable	2,280	57,699	44	-	60,023	49,900
Investments	-	728,139	1,595,636	89,841	2,413,616	2,337,747
Deferred Losses	-	-	1,889	-	1,889	6,000
Land	-	49,399	60	-	49,459	49,459
Buildings/Improvements	-	-	355	-	355	355
Equipment	-	-	268	-	268	203
Accumulated Depreciation	-	-	(332)	-	(332)	(305)
Intangible Assets	-	-	60	-	60	3
Other Assets	-	-	-	45,439	45,439	43,619
TOTAL ASSETS	$ 94,714	$ 974,999	$ 2,251,790	$ 871,921	$ 4,193,424	$ 3,733,943
LIABILITIES/FUND BALANCES:						
Liabilities:						
Accounts Payable	$ 60	$ 5,166	$ 1,230	$ 71,379	$ 77,835	$ 11,848
Interfund Loans Payable	-	-	-	22	22	-
Due to Other Governments	-	-	3	270,782	270,785	261,059
Due to Other Funds	8	23,991	2,161	11,726	37,886	48,229
Deferred Revenue	-	60	1	-	61	277
Deferred Gains	-	-	1,577	-	1,577	-
Installment Purchase/Lease Payable	-	-	239	-	239	-
Property Held in Trust	633	8	479	515,290	516,410	377,146
Compensated Absences Payable	-	-	79	-	79	66
Other Liabilities	-	-	-	2,722	2,722	2,634
Total Liabilities	701	29,225	5,769	871,921	907,616	701,259
Fund Balances:						
Reserved for:						
Long-Term Loans	2,280	-	-	-	2,280	2,273
Trust Principal	-	945,774	-	-	945,774	900,989
Retirement Systems	-	-	2,246,021	-	2,246,021	2,039,620
Unreserved	91,733	-	-	-	91,733	89,802
Total Fund Balances	94,013	945,774	2,246,021	-	3,285,808	3,032,684
TOTAL LIABILITIES/FUND BALANCES	$ 94,714	$ 974,999	$ 2,251,790	$ 871,921	$ 4,193,424	$ 3,733,943

EXPENDABLE TRUST FUNDS

Expendable Trust Funds are used to account for assets held by the State in a trustee capacity, where both the trust principal and earnings may be expended. A brief description of each Expendable Trust Fund follows:

Labor & Industry Compensation Insurance - This fund accounts for the proceeds from liquidated security bonds held on deposit from self-insured employers and other insurance companies in lieu of participating in the State Compensation Insurance. Administrative costs of operating the fund are paid from a Special Revenue Fund.

Unemployment Insurance - This fund accounts for employer contributions deposited with the Secretary of the Treasury of the United States to the credit of Montana's unemployment trust fund. Unemployment benefits are paid from this fund to eligible recipients. Administrative costs are paid from a Special Revenue Fund.

BN Geraldine Settlement - Deposits and investment earnings from a lawsuit settlement and investment earnings from Moore Sipple Connector, a Nonexpendable Trust Fund, are to be used for restructuring the Geraldine-Lewistown Line.

Rural Development - This fund accounts for programs authorized under the Bankhead Jones Farm Tenant Act. Resources are used by the Department of Agriculture under a federal use agreement for the purpose of aiding low income rural families.

Historical Society General Trust - Deposits of the principal amounts of various stocks donated by numerous contributors in trust to the Society and the Charles Bair Memorial are accounted for in this fund. The principal can be expended for acquisitions approved by the Board of Trustees.

Woodville Highway Replacement - This fund accounts for money paid to the Montana Department of Transportation by the Anaconda Company to provide the government of Butte-Silver Bow with traffic facilities to replace the abandoned portion of U.S. Highway 91.

Rural Physician - This fund accounts for the fee assessments, educational debt payments and administrative costs associated with the rural physician incentive program administered by the Board of Regents of Higher Education.

Commodity Liquidation Trust - This fund accounts for money from the sales of insolvent grain elevator company assets. Once assets have been sold and surety bond moneys or other equivalents have been collected, the funds are distributed to the proper claimants.

School for Deaf & Blind - The School accounts for private donations in this fund.

STATE OF MONTANA
Combining Balance Sheet
Expendable Trust Funds
June 30, 1993
(Expressed in Thousands)

	L&I COMP INSURANCE	UNEMPLOYMENT INSURANCE	RURAL DEVELOPMENT	HISTORICAL SOCIETY GENERAL TRUST	WOODVILLE HIGHWAY REPLACEMENT	RURAL PHYSICIAN	TOTALS - JUNE 30 1993	TOTALS - JUNE 30 1992
ASSETS:								
Cash/Cash Equivalents	$ 538	$ 89,739	$ 235	$ 282	$ 220	$ 35	$ 91,049	$ 88,788
Receivables (Net)	-	1,286	-	-	-	-	1,286	1,594
Due from Other Funds	1	-	1	1	1	5	9	14
Equity in Pooled Investments	-	-	-	90	-	-	90	90
Long-Term Loans/Notes Receivable	-	-	2,280	-	-	-	2,280	2,273
TOTAL ASSETS	$ 539	$ 91,025	$ 2,516	$ 373	$ 221	$ 40	$ 94,714	$ 92,759
LIABILITIES/FUND BALANCES:								
Liabilities:								
Accounts Payable	$ -	$ 60	$ -	$ -	$ -	$ -	$ 60	$ 52
Due to Other Funds	-	-	3	-	-	5	8	3
Property Held in Trust	538	95	-	-	-	-	633	629
Total Liabilities	538	155	3	-	-	5	701	684
Fund Balances:								
Reserved for Long-Term Loans	-	-	2,280	-	-	-	2,280	2,273
Unreserved	1	90,870	233	373	221	35	91,733	89,802
Total Fund Balances	1	90,870	2,513	373	221	35	94,013	92,075
TOTAL LIABILITIES/FUND BALANCES	$ 539	$ 91,025	$ 2,516	$ 373	$ 221	$ 40	$ 94,714	$ 92,759

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Expendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	L&I COMP INSURANCE	UNEMPLOYMENT INSURANCE	BN GERALDINE SETTLEMENT	RURAL DEVELOPMENT
REVENUES:				
Charges for Services/Fines/Forfeits	$ -	$ -	$ -	$ 1
Investment Earnings	-	7,033	35	157
Rentals/Leases/Royalties	-	-	-	-
Contributions/Premiums	-	44,695	-	-
Grants/Contracts/Donations	-	-	-	4
Federal	-	25,284	-	-
Total Revenues	-	77,012	35	162
EXPENDITURES:				
Current:				
Transportation	-	-	2,264	-
Education/Cultural	-	-	-	-
Economic Develoment/Assistance	-	72,936	-	88
Capital Outlay	-	-	-	-
Total Expenditures	-	72,936	2,264	88
Excess of Revenues Over (Under) Expenditures	-	4,076	(2,229)	74
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	3	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	3	-
Excess of Revenues/Other Sources Over (Under) Expenditures/ Other Uses	-	4,076	(2,226)	74
FUND BALANCES - JULY 1 - As Previously Reported	1	86,794	2,226	2,439
Prior Period Adjustments	-	-	-	-
FUND BALANCES - JULY 1 - As Restated	1	86,794	2,226	2,439
FUND BALANCES - JUNE 30	$ 1	$ 90,870	$ -	$ 2,513

HISTORICAL SOCIETY GENERAL TRUST	WOODVILLE HIGHWAY REPLACEMENT	RURAL PHYSICIAN	COMMODITY LIQUIDATION TRUST	SCHOOL FOR DEAF & BLIND	TOTALS YEAR ENDED JUNE 30 1993	1992
$ -	$ -	$ 31	$ -	$ -	$ 32	$ 18
14	8	1	-	-	7,248	7,560
-	-	-	-	8	8	-
-	-	-	-	-	44,695	38,411
-	-	-	-	38	42	63
-	-	-	-	-	25,284	14,603
14	8	32	-	46	77,309	60,655
-	18	-	-	-	2,282	49
-	-	15	-	46	61	59
-	-	-	2	-	73,026	54,829
-	-	-	-	-	-	3
-	18	15	2	46	75,369	54,940
14	(10)	17	(2)	-	1,940	5,715
-	-	-	-	-	3	11
(5)	-	-	-	-	(5)	(6)
(5)	-	-	-	-	(2)	5
9	(10)	17	(2)	-	1,938	5,720
364	231	18	2	-	92,075	86,620
-	-	-	-	-	-	(265)
364	231	18	2	-	92,075	86,355
$ 373	$ 221	$ 35	$ -	$ -	$ 94,013	$ 92,075

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NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds are used to account for assets held by the State in a trustee capacity, where the trust principal may not be expended. A brief description of each Nonexpendable Trust Fund follows:

Coal Tax Trust - This fund, created by Article IX, Section 5 of the Montana Constitution and administered by the Department of Revenue, receives 50% of all coal tax collections. Principal may be expended only upon affirmative vote by three-fourths of each house of the Legislature.

Land Grants - The Department of State Lands accounts for lands granted to the State for support of public schools and State institutions in this fund.

Resource Indemnity - Taxes paid by persons engaging in or carrying on the business of mining, extracting or producing minerals are deposited in this fund. Only the net earnings of the trust may be appropriated until the principal reaches $100 million. Interest earnings are expended from a Special Revenue Fund. This fund is administered by the Department of Revenue.

Parks Trust and Cultural/Aesthetic Trust - A portion of the coal severance taxes are credited to these funds by the Department of Revenue. Income from the trusts shall be used for the acquisition and maintenance of State parks and historical sites by the Department of Fish, Wildlife and Parks and for the protection of works of art in the State Capitol and other cultural and aesthetic projects through the Montana Arts Council.

Moore Sipple Connector - Money is held in trust to provide funds for the restructuring of the Geraldine-Lewistown Line. The investment earnings are transferred to the BN Geraldine Settlement, an Expendable Trust Fund.

Real Property Trust - Money received by the Department of Fish, Wildlife and Parks from the sale of real property, from the exploration and development of oil, gas and mineral deposits and from the lease of department real property is deposited in this fund. Interest is recorded in a Special Revenue Fund and used for developing and maintaining real property of the department.

Noxious Weed Management - The Department of Agriculture accounts for revenues and interest earned on fees charged for the control of noxious weeds in this fund.

Historical Society - Three funds (Jim Bradley Memorial, Thomas Teakle and Merritt Wheeler) account for memorials, bequests and various other contributions to the Montana Historical Society. Investment income is either expended from a Special Revenue Fund, Expendable Trust Fund or added to the principal.

STATE OF MONTANA
Combining Balance Sheet
Nonexpendable Trust Funds
June 30, 1993
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL, AESTHETIC TRUST
ASSETS:					
Cash/Cash Equivalents	$ 85,766	$ 25,085	$ 5,210	$ 675	$ 882
Receivables (Net)	12,483	5,407	1,631	172	128
Due from Other Funds	33	179	14	2	2
Equity in Pooled Investments	-	-	-	-	-
Long-Term Loans/Notes Receivable	57,589	110	-	-	-
Investments	368,689	252,837	82,268	11,840	6,028
Land	-	49,399	-	-	-
TOTAL ASSETS	$ 524,560	$ 333,017	$ 89,123	$ 12,689	$ 7,040
LIABILITIES/FUND BALANCES:					
Liabilities:					
Accounts Payable	$ -	$ 5,165	$ 1	$ -	$ -
Due to Other Funds	13,077	8,360	2,172	151	176
Property Held in Trust	8	-	-	-	-
Deferred Revenue	-	-	60	-	-
Total Liabilities	13,085	13,525	2,233	151	176
Fund Balances:					
Reserved for Trust Principal	511,475	319,492	86,890	12,538	6,864
Total Fund Balances	511,475	319,492	86,890	12,538	6,864
TOTAL LIABILITIES/FUND BALANCES	$ 524,560	$ 333,017	$ 89,123	$ 12,689	$ 7,040

REAL PROPERTY	NOXIOUS WEED MANAGEMENT	MOORE SIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT-WHEELER MEMORIAL	TOTALS - JUNE 30 1993	1992
$ 1,027	$ 250	$ 243	$ 9	$ 14	$ 11	$ 119,172	$ 77,239
45	27	-	-	-	-	19,893	18,820
350	8	1	-	-	-	589	1,511
-	-	-	54	42	12	108	109
-	-	-	-	-	-	57,699	47,627
4,227	2,250	-	-	-	-	728,139	746,113
-	-	-	-	-	-	49,399	49,399
$ 5,649	$ 2,535	$ 244	$ 63	$ 56	$ 23	$ 974,999	$ 940,818
$ -	$ -	$ -	$ -	$ -	$ -	$ 5,166	$ 5,789
53	-	-	-	2	-	23,991	33,764
-	-	-	-	-	-	8	-
-	-	-	-	-	-	60	276
53	-	-	-	2	-	29,225	39,829
5,596	2,535	244	63	54	23	945,774	900,989
5,596	2,535	244	63	54	23	945,774	900,989
$ 5,649	$ 2,535	$ 244	$ 63	$ 56	$ 23	$ 974,999	$ 940,818

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL, AESTHETIC TRUST
OPERATING REVENUES:					
Charges for Services	$ 239	$ 4,887	$ -	$ -	$ -
Investment Earnings	51,007	30,495	8,715	1,252	584
Taxes	17,741	-	4,491	-	225
Rentals/Leases/Royalties	-	18,618	-	-	-
Grants/Contracts/Donations	-	1,309	-	-	-
Other Operating Revenues	-	33	-	-	-
Total Operating Revenues	68,987	55,342	13,206	1,252	809
OPERATING EXPENSES:					
Grants	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-
Total Operating Expenses	-	-	-	-	-
Income (Loss) before Operating Transfers	68,987	55,342	13,206	1,252	809
Operating Transfers In	6,977	-	-	-	-
Operating Transfers Out	(56,144)	(45,803)	(8,806)	(1,302)	(970)
Net Income (Loss)	19,820	9,539	4,400	(50)	(161)
FUND BALANCES - JULY 1 - As Previously Reported	480,994	309,953	82,490	12,740	7,051
Prior Period Adjustments	20	-	-	(152)	(26)
FUND BALANCES - JULY 1 - As Restated	481,014	309,953	82,490	12,588	7,025
Residual Equity Transfers	10,641	-	-	-	-
FUND BALANCES - JUNE 30	$ 511,475	$ 319,492	$ 86,890	$ 12,538	$ 6,864

REAL PROPERTY	NOXIOUS WEED MANAGEMENT	MOORE SIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT-WHEELER MEMORIAL	TOTALS YEAR ENDED JUNE 30 1993	1992
$ 643	$ -	$ -	$ -	$ -	$ -	$ 5,769	$ 7,150
369	253	9	5	5	1	92,695	86,428
-	164	-	-	-	-	22,621	5,630
150	-	-	-	-	-	18,768	20,125
-	-	-	-	-	-	1,309	914
-	-	-	-	-	-	33	14
1,162	417	9	5	5	1	141,195	120,261
-	-	-	-	-	-	-	20
-	-	-	4	-	-	4	10
-	-	-	4	-	-	4	30
1,162	417	9	1	5	1	141,191	120,231
-	-	-	-	-	-	6,977	17,240
(369)	(466)	(3)	-	(3)	-	(113,866)	(101,742)
793	(49)	6	1	2	1	34,302	35,729
4,803	2,584	238	62	52	22	900,989	865,342
-	-	-	-	-	-	(158)	228
4,803	2,584	238	62	52	22	900,831	865,570
-	-	-	-	-	-	10,641	(310)
$ 5,596	$ 2,535	$ 244	$ 63	$ 54	$ 23	$ 945,774	$ 900,989

STATE OF MONTANA
Combining Statement of Cash Flows
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL, AESTHETIC TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for Sales and Services	$ 239	$ 5,028	$ -	$ -	$ -
Donations Received	-	1,339	-	-	-
Scholarship/Fellowship Payments	-	-	-	-	-
Other Operating Revenue	-	33	-	-	-
Net Cash Provided by (Used for) Operating Activities	239	6,400	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Collection of Taxes	17,741	-	4,464	-	244
Transfers to Other Funds	(60,515)	(45,806)	(8,667)	(1,302)	(970)
Transfers from Other Funds	1,731	7	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	-
Residual Equity Transfers from Other Funds	10,641	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(30,402)	(45,799)	(4,203)	(1,302)	(726)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Investments	(176,640)	(168,338)	(39,681)	(6,981)	(3,482)
Proceeds from Sales or Maturities of Investments	201,247	168,286	34,893	6,892	3,392
Interest and Dividends on Investments	49,021	29,824	8,814	1,471	813
Collections for Principal and Interest on Loans	10,341	-	-	-	-
Cash Payments for Loans	(20,439)	-	-	-	-
Collection of Rents/Leases/Royalties	-	18,654	-	-	-
Net Cash Provided by (Used for) Investing Activities	63,530	48,426	4,026	1,382	723
Net Increase (Decrease) in Cash and Cash Equivalents	33,367	9,027	(177)	80	(3)
Cash and Cash Equivalents, July 1	52,399	16,058	5,387	595	885
Cash and Cash Equivalents, June 30	$ 85,766	$ 25,085	$ 5,210	$ 675	$ 882

REAL PROPERTY	NOXIOUS WEED MANAGEMENT	MOORE STIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT-WHEELER MEMORIAL	TOTALS - JUNE 30 1993	1992
$ 301	$ -	$ -	$ -	$ -	$ -	$ 5,568	$ 7,031
-	-	-	-	-	-	1,339	786
-	-	-	(4)	-	-	(4)	(10)
-	-	-	-	-	-	33	14
301	-	-	(4)	-	-	6,936	7,821
-	259	-	-	-	-	22,708	5,596
(644)	(466)	(4)	-	-	-	(118,374)	(116,484)
-	-	-	-	-	-	1,738	27,182
-	-	-	-	-	-	-	(1,313)
-	-	-	-	-	-	10,641	902
(644)	(207)	(4)	-	-	-	(83,287)	(84,117)
(2,301)	(1,300)	-	-	-	-	(398,723)	(269,916)
2,111	850	-	-	-	-	417,671	219,554
403	264	9	5	4	2	90,630	82,536
-	-	-	-	-	-	10,341	13,212
-	-	-	-	-	-	(20,439)	(18,590)
150	-	-	-	-	-	18,804	20,232
363	(186)	9	5	4	2	118,284	47,028
20	(393)	5	1	4	2	41,933	(29,268)
1,007	643	238	8	10	9	77,239	106,507
$ 1,027	$ 250	$ 243	$ 9	$ 14	$ 11	$ 119,172	$ 77,239

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL, AESTHETIC TRUST
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	$ 68,987	$ 55,342	$ 13,206	$ 1,252	$ 809
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Taxes	(17,741)	-	(4,491)	-	(225)
Interest on Investments	(51,007)	(30,495)	(8,715)	(1,252)	(584)
Rentals/Leases/Royalties	-	(18,618)	-	-	-
Change in Assets and Liabilities:					
Decr (Incr) in Due From Other Funds	-	171	-	-	-
Incr (Decr) in Due to Other Funds	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	$ 239	$ 6,400	$ -	$ -	$ -

REAL PROPERTY	NOXIOUS WEED MANAGEMENT	MOORE STIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT-WHEELER MEMORIAL	TOTALS - JUNE 30 1993	1992
$ 1,162	$ 417	$ 9	$ 1	$ 5	$ 1	$ 141,191	$ 120,231
-	(164)	-	-	-	-	(22,621)	(5,630)
(369)	(253)	(9)	(5)	(5)	(1)	(92,695)	(86,429)
(150)	-	-	-	-	-	(18,768)	(20,125)
(342)	-	-	-	-	-	(171)	(246)
-	-	-	-	-	-	-	20
$ 301	$ -	$ -	$ (4)	$ -	$ -	$ 6,936	$ 7,821

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PENSION TRUST FUNDS

The Pension Trust Funds are used to account for public employee retirement systems. A brief description of each Pension Trust Fund follows.

Teachers' Retirement System - This fund accounts for resources used to provide retirement, disability, death and lump sum payments to members of Montana's public teaching profession. This fund also accounts for the administrative costs of the Teachers' Retirement Division which are paid from interest earnings of the pension trust fund. The system is funded from employer and employee contributions and interest earnings.

Public Employees' Retirement System (PERS) - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to qualified public employees. The system is funded from employer and employee contributions. This fund also accounts for the administrative costs, paid from investment earnings, of the Public Employees' Retirement Division, Department of Administration, which administers the activities of PERS and the following seven retirement systems:

Municipal Police Officers' Retirement System - This fund accounts for resources used to pay retirement, disability and death benefits to qualifying police officers employed by first and second class cities and other cities electing coverage. The system is funded from member, State and city contributions.

Firefighters' Unified Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to firefighters employed by first and second class cities and other cities electing coverage. In addition to employer and employee contributions, the State contributes a portion of insurance premium taxes collected.

Sheriffs' Retirement System - This fund accounts for member and county contributions to pay retirement, disability and death benefits to qualifying sheriffs.

Highway Patrol Officers' Retirement System - This fund accounts for member and State contributions to pay retirement, disability and death benefits to qualifying highway patrol officers.

Judges' Retirement System - This fund accounts for member and State contributions used to pay retirement, disability and death benefits to Montana's judges. The system is also funded from a percentage of court fees collected.

Game Wardens' Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to game wardens employed by the State. In addition to employer and employee contributions, this fund receives collections of fines and forfeitures generated from fish and wildlife violations.

Volunteer Firefighters' of Unincorporated Areas Retirement System - This fund accounts for resources used to pay medical benefits and retirement, disability and death benefits to qualifying volunteer firefighters. Benefit payments are based upon the growth of the fund in the preceding year.

STATE OF MONTANA
Combining Balance Sheet
Pension Trust Funds
June 30, 1993
(Expressed in Thousands)

	PERS	TEACHERS	MUNICIPAL POLICE	FIREFIGHTERS UNIFIED	SHERIFFS
ASSETS:					
Cash/Cash Equivalents	$ 62,500	$ 50,925	$ 1,606	$ 2,308	$ 2,534
Receivables (Net)	17,676	22,666	952	882	729
Due from Other Funds	2,636	661	1,916	3,665	7
Equity in Pooled Investments	242,680	198,608	7,170	6,797	6,856
Long Term Notes/Loans Receivable	44	-	-	-	-
Investments	783,409	653,228	35,963	33,457	35,759
Deferred Losses	1,803	-	-	-	-
Land	25	35	-	-	-
Buildings/Improvements	197	158	-	-	-
Equipment	124	144	-	-	-
Accumulated Depreciation	(181)	(151)	-	-	-
Intangible Assets	4	56	-	-	-
TOTAL ASSETS	$ 1,110,917	$ 926,330	$ 47,607	$ 47,109	$ 45,885
LIABILITIES/FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 617	$ 585	$ 10	$ -	$ 18
Due to Other Governments	-	3	-	-	-
Due to Other Funds	2,027	38	25	21	17
Deferred Revenue	1	-	-	-	-
Deferred Gains	-	1,042	139	327	29
Installment Purchase/Lease Payable	-	239	-	-	-
Property Held in Trust	283	196	-	-	-
Compensated Absences Payable	56	23	-	-	-
Total Liabilities	2,984	2,126	174	348	64
Fund Balances:					
Reserved for Retirement Systems	1,107,933	924,204	47,433	46,761	45,821
Total Fund Balances	1,107,933	924,204	47,433	46,761	45,821
TOTAL LIABILITIES/FUND BALANCES	$ 1,110,917	$ 926,330	$ 47,607	$ 47,109	$ 45,885

HIGHWAY PATROL	JUDGES	GAME WARDENS	VOLUNTEER FIREFIGHTERS	TOTALS - JUNE 30 1993	1992
$ 2,501	$ 1,152	$ 1,567	$ 937	$ 126,030	$ 100,924
435	228	154	125	43,847	39,922
101	66	36	653	9,741	11,934
5,564	3,044	2,740	733	474,192	372,382
-	-	-	-	44	-
25,306	13,052	9,120	6,342	1,595,636	1,511,962
86	-	-	-	1,889	6,000
-	-	-	-	60	60
-	-	-	-	355	355
-	-	-	-	268	203
-	-	-	-	(332)	(305)
-	-	-	-	60	3
$ 33,993	$ 17,542	$ 13,617	$ 8,790	$ 2,251,790	$ 2,043,440
$ -	$ -	$ -	$ -	$ 1,230	$ 1,058
-	-	-	-	3	1
11	2	4	16	2,161	2,369
-	-	-	-	1	1
-	4	22	14	1,577	-
-	-	-	-	239	-
-	-	-	-	479	325
-	-	-	-	79	66
11	6	26	30	5,769	3,820
33,982	17,536	13,591	8,760	2,246,021	2,039,620
33,982	17,536	13,591	8,760	2,246,021	2,039,620
$ 33,993	$ 17,542	$ 13,617	$ 8,790	$ 2,251,790	$ 2,043,440

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Pension Trust Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

	PERS	TEACHERS	MUNICIPAL POLICE	FIREFIGHTERS UNIFIED
OPERATING REVENUES:				
Investment Earnings	$ 95,938	$ 78,727	$ 3,671	$ 3,587
Contributions/Premiums	75,873	75,484	7,107	5,869
Other Operating Revenues	-	-	-	-
Total Operating Revenues	171,811	154,211	10,778	9,456
Intrafund Revenues	(23)	-	-	-
Net Operating Revenues	171,788	154,211	10,778	9,456
OPERATING EXPENSES:				
Personal Services	552	321	-	-
Contractual Services	286	148	-	-
Supplies/Materials	11	10	-	-
Expendable Equipment	83	1	-	-
Benefits	62,838	66,136	5,908	5,032
Refunds	9,262	3,969	124	23
Depreciation	12	18	-	-
Amortization	2	4	-	-
Utilities/Rent	29	44	-	-
Communications	43	35	-	-
Travel	12	11	-	-
Repair/Maintenance	7	7	-	-
Interest Expense	-	8	-	-
Other Operating Expenses	-	2	24	21
Total Operating Expenses	73,137	70,714	6,056	5,076
Intrafund Expenses	(23)	-	-	-
Net Operating Expenses	73,114	70,714	6,056	5,076
Operating Income (Loss)	98,674	83,497	4,722	4,380
NONOPERATING REVENUES (EXPENSES):				
Gain (Loss) Sale of Fixed Assets	(1)	-	-	-
Total Nonoperating Revenues (Expenses)	(1)	-	-	-
Income (Loss) before Operating Transfers	98,673	83,497	4,722	4,380
Operating Transfers In	1,503	1,587	141	123
Net Income (Loss)	100,176	85,084	4,863	4,503
FUND BALANCES - JULY 1 - As Previously Reported	1,007,757	839,120	41,303	42,258
Prior Period Adjustments	-	-	1,267	-
FUND BALANCES - JULY 1 - As Restated	1,007,757	839,120	42,570	42,258
FUND BALANCES - JUNE 30	$ 1,107,933	$ 924,204	$ 47,433	$ 46,761

SHERIFFS	HIGHWAY PATROL	JUDGES	GAME WARDENS	VOLUNTEER FIREFIGHTERS	TOTALS YEAR ENDED JUNE 30 1993	1992
$ 3,584	$ 2,579	$ 1,446	$ 1,113	$ 723	$ 191,368	$ 171,364
2,130	2,942	941	692	650	171,688	158,891
-	-	-	-	-	-	37
5,714	5,521	2,387	1,805	1,373	363,056	330,292
-	-	-	-	-	(23)	(17)
5,714	5,521	2,387	1,805	1,373	363,033	330,275
-	-	-	-	-	873	822
-	-	-	-	-	434	692
-	-	-	-	-	21	27
-	-	-	-	-	84	1
883	2,694	797	832	789	145,909	135,318
293	65	-	6	-	13,742	12,285
-	-	-	-	-	30	26
-	-	-	-	-	6	4
-	-	-	-	-	73	67
-	-	-	-	-	78	90
-	-	-	-	-	23	25
-	-	-	-	-	14	12
-	-	-	-	-	8	-
16	11	2	4	42	122	119
1,192	2,770	799	842	831	161,417	149,488
-	-	-	-	-	(23)	(17)
1,192	2,770	799	842	831	161,394	149,471
4,522	2,751	1,588	963	542	201,639	180,804
-	-	-	-	-	(1)	-
-	-	-	-	-	(1)	-
4,522	2,751	1,588	963	542	201,638	180,804
21	64	19	20	18	3,496	3,176
4,543	2,815	1,607	983	560	205,134	183,980
41,278	31,167	15,929	12,608	8,200	2,039,620	1,855,654
-	-	-	-	-	1,267	(14)
41,278	31,167	15,929	12,608	8,200	2,040,887	1,855,640
$ 45,821	$ 33,982	$ 17,536	$ 13,591	$ 8,760	$ 2,246,021	$ 2,039,620

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AGENCY FUNDS

The Agency Funds are used to account for assets held by the State as an agent for individuals, private organizations, other governments and other funds. A brief description of each Agency Fund follows.

Investment Pool - This fund accounts for idle cash invested on a pooled basis. Investment earnings on State funds are accounted for as revenue in either the fund providing the cash for investment or in the fund from which the earnings will be expended.

Employees' Deferred Compensation - State employees may defer a part of their compensation for the purpose of investment. This fund accounts for employee withholdings transferred to investing entities for allocation to employee designated investment plans.

Land Grant Interest - This fund accounts for interest and income earnings on nonexpendable trusts administered by the Department of State Lands pending distribution to units of the university system and State institutions.

Performance Deposits - This fund accounts for deposits held by the State pending compliance with performance agreements.

Central Payroll - This fund accounts for the accumulation of State employees' payroll and withholdings by the State Auditor's Office pending remittance to employees and other appropriate third parties.

Workers' Comp Securities - This fund, administered by the Department of Labor and Industry, accounts for surety bonds, converting the bonds into cash to liquidate liabilities as necessary.

Custodial Accounts - This fund accounts for moneys belonging to State institution residents, students of the School for the Deaf and Blind, participants in the foster children and protective services programs and balances held by the Commissioner of Higher Education's Office for remittance, on behalf of eligible employees of the Montana University System, to the TIAA-CREF retirement fund.

Unissued Warrants - This fund reports the amount of warrants authorized by agency claims but not written or mailed by fiscal year-end.

Child Support Collections - This fund accounts for payments from parents under the Child Support Enforcement Program administered by the Department of Social & Rehabilitative Services.

Unclaimed Property - This fund accounts for property held by State agencies pending claim by the person entitled thereto. It includes proceeds from the sale of abandoned property, escheated and undistributed estates, stale-dated State warrants and unclaimed wages.

Intergovernmental - This fund accounts for resources that flow through State agencies to federal and local governments.

A & E Advances - This fund accounts for moneys advanced by other agencies to the Department of Administration's Architecture and Engineering (A & E) Division for minor capital projects. The capital outlay expenditures are recorded in the funds which advanced the money.

Uncleared Collections - This fund accounts for resources held pending distribution to other funds and local governments. Amounts due to other State funds have been recorded as a receivable and revenue in those funds.

Bad Debts - This fund accounts for amounts due to the State which have been written off as uncollectible by the receiving agency. The State Auditor's Office continues to attempt to collect amounts owing for a period of time after they are deemed uncollectible by the receiving agency.

Stock Estray - This fund accounts for the proceeds derived from the sale of estray animals.

Bondholders Payment Fund - This fund accounts for accumulated proceeds for payment to bondholders for unredeemed coupons attached to refunded bond issues.

STATE OF MONTANA
Combining Balance Sheet
Agency Funds
June 30, 1993
(Expressed in Thousands)

	INVESTMENT POOL	EMPLOYEES DEFERRED COMP.	LAND GRANT INTEREST	PERFORM. DEPOSITS	CENTRAL PAYROLL	WORKERS' COMP SECURITIES	CUSTODIAL ACCOUNTS
ASSETS:							
Cash/Cash Equivalents	$ 614,368	$ 2	$ 1	$ 14,523	$ 216	$ -	$ 1,093
Receivables (Net)	14,272	-	-	1	-	-	-
Interfund Loans Receivable	-	-	-	220	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Due from Other Funds	-	54	-	32	20,083	-	31
Equity in Pooled Investments	57,605	-	-	-	-	-	-
Investments	-	89,841	-	-	-	-	-
Other Assets	-	-	-	3,239	-	42,200	-
TOTAL ASSETS	$ 686,245	$ 89,897	$ 1	$ 18,015	$ 20,299	$ 42,200	$ 1,124
LIABILITIES:							
Accounts Payable	$ 70,474	$ -	$ -	$ 115	$ -	$ -	$ 72
Interfund Loans Payable	-	-	-	-	-	-	-
Due to Other Governments	270,408	-	-	-	-	-	-
Due to Other Funds	1,060	-	1	41	3	-	33
Property Held in Trust	344,303	89,897	-	15,163	20,295	42,200	1,019
Other Liabilities	-	-	-	2,696	1	-	-
TOTAL LIABILITIES	$ 686,245	$ 89,897	$ 1	$ 18,015	$ 20,299	$ 42,200	$ 1,124

UNISSUED WARRANTS	CHILD SUPPORT COLLECTIONS	UNCLAIMED PROPERTY	INTER-GOVERNMENTAL	A & E ADVANCES	UNCLEARED COLLECTIONS	BAD DEBTS	STOCK ESTRAY	BONDHOLDERS PAYMENT FUND	TOTALS - JUNE 30 1993	1992
$ 2,137	$ 1,122	$ 1,089	$ 723	$ 94	$ 8,487	$ 224	$ 58	$ 19	$ 644,156	$ 400,354
-	-	-	1	-	-	-	-	-	14,274	4,259
-	-	-	-	-	-	-	-	-	220	370
-	-	-	64	-	-	-	-	-	64	472
30	8	-	72	1	9	2	-	-	20,322	17,634
-	-	-	-	-	-	-	-	-	57,605	110,546
-	-	-	-	-	-	-	-	-	89,841	79,672
-	-	-	-	-	-	-	-	-	45,439	43,619
$ 2,167	$ 1,130	$ 1,089	$ 860	$ 95	$ 8,496	$ 226	$ 58	$ 19	$ 871,921	$ 656,926
$ -	$ 483	$ 3	$ 141	$ 63	$ 1	$ 25	$ 2	$ -	$ 71,379	$ 4,949
-	-	-	22	-	-	-	-	-	22	-
-	-	-	374	-	-	-	-	-	270,782	261,058
1,589	647	98	25	2	8,223	4	-	-	11,726	12,093
567	-	988	298	30	258	197	56	19	515,290	376,192
11	-	-	-	-	14	-	-	-	2,722	2,634
$ 2,167	$ 1,130	$ 1,089	$ 860	$ 95	$ 8,496	$ 226	$ 58	$ 19	$ 871,921	$ 656,926

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

FUND	BALANCE July 1, 1992	Additions	Deductions	BALANCE June 30, 1993
INVESTMENT POOL:				
ASSETS				
Cash/Cash Equivalents	$ 376,482	$ 25,004,128	$ 24,766,242	$ 614,368
Receivables (Net)	4,078	56,435	46,241	14,272
Due from Other Funds	-	431	431	-
Equity in Pooled Investments	110,546	905,245	958,186	57,605
Total Assets	$ 491,106	$ 25,966,239	$ 25,771,100	$ 686,245
LIABILITIES				
Accounts Payable	$ 3,528	$ 70,474	$ 3,528	$ 70,474
Due to Other Governments	260,635	536,878	527,105	270,408
Due to Other Funds	2,603	1,691	3,234	1,060
Property Held in Trust	224,340	5,124,593	5,004,630	344,303
Total Liabilities	$ 491,106	$ 5,733,636	$ 5,538,497	$ 686,245
EMPLOYEES DEFERRED COMP.:				
ASSETS				
Cash/Cash Equivalents	$ 2	$ 7,920	$ 7,920	$ 2
Due from Other Funds	67	54	67	54
Investments	79,672	10,171	2	89,841
Total Assets	$ 79,741	$ 18,145	$ 7,989	$ 89,897
LIABILITIES				
Property Held in Trust	$ 79,741	$ 10,786	$ 630	$ 89,897
LAND GRANT INTEREST:				
ASSETS				
Cash/Cash Equivalents	$ 1	$ 37	$ 37	$ 1
LIABILITIES				
Due to Other Funds	$ 1	$ 1	$ 1	$ 1
PERFORM. DEPOSITS:				
ASSETS				
Cash/Cash Equivalents	$ 8,986	$ 38,720	$ 33,183	$ 14,523
Receivables (Net)	3	17	19	1
Interfund Loans Receivable	370	725	875	220
Due from Other Funds	22	37	27	32
Other Assets	3,331	1,989	2,081	3,239
Total Assets	$ 12,712	$ 41,488	$ 36,185	$ 18,015
LIABILITIES				
Accounts Payable	$ 149	$ 187	$ 221	$ 115
Due to Other Funds	202	47	208	41
Property Held in Trust	9,742	13,970	8,549	15,163
Other Liabilities	2,619	8,892	8,815	2,696
Total Liabilities	$ 12,712	$ 23,096	$ 17,793	$ 18,015
CENTRAL PAYROLL:				
ASSETS				
Cash/Cash Equivalents	$ 365	$ 373,264	$ 373,413	$ 216
Due from Other Funds	17,383	20,245	17,545	20,083
Total Assets	$ 17,748	$ 393,509	$ 390,958	$ 20,299
LIABILITIES				
Due to Other Funds	124	166	287	3
Property Held in Trust	17,624	375,945	373,274	20,295
Other Liabilities	-	12	11	1
Total Liabilities	$ 17,748	$ 376,123	$ 373,572	$ 20,299

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

FUND	BALANCE July 1, 1992	Additions	Deductions	BALANCE June 30, 1993
WORKERS' COMP. SECURITIES:				
ASSETS				
Other Assets	$ 40,288	$ 3,350	$ 1,438	$ 42,200
LIABILITIES				
Property Held in Trust	$ 40,288	$ 3,350	$ 1,438	$ 42,200
CUSTODIAL ACCOUNTS:				
ASSETS				
Cash/Cash Equivalents	$ 972	$ 3,972	$ 3,851	$ 1,093
Receivables (Net)	-	25	25	-
Due from Other Funds	95	32	96	31
Total Assets	$ 1,067	$ 4,029	$ 3,972	$ 1,124
LIABILITIES				
Accounts Payable	$ 96	$ 72	$ 96	$ 72
Due to Other Funds	65	27	59	33
Property Held in Trust	906	2,655	2,542	1,019
Total Liabilities	$ 1,067	$ 2,754	$ 2,697	$ 1,124
UNISSUED WARRANTS:				
ASSETS				
Cash/Cash Equivalents	$ 2,890	$ 4,091,607	$ 4,092,360	$ 2,137
Receivables (Net)	-	97,373	97,373	-
Due from Other Funds	15	30	15	30
Total Assets	$ 2,905	$ 4,189,010	$ 4,189,748	$ 2,167
LIABILITIES				
Due to Other Funds	1,492	1,589	1,492	1,589
Property Held in Trust	1,402	4,125,197	4,126,032	567
Other Liabilities	11	25,131	25,131	11
Total Liabilities	$ 2,905	$ 4,151,917	$ 4,152,655	$ 2,167
CHILD SUPPORT COLLECTIONS:				
ASSETS				
Cash/Cash Equivalents	$ 1,633	$ 26,988	$ 27,499	$ 1,122
Due from Other Funds	11	11	14	8
Total Assets	$ 1,644	$ 26,999	$ 27,513	$ 1,130
LIABILITIES				
Accounts Payable	$ 674	$ 482	$ 673	$ 483
Due to Other Funds	970	738	1,061	647
Total Liabilities	$ 1,644	$ 1,220	$ 1,734	$ 1,130
UNCLAIMED PROPERTY:				
ASSETS				
Cash/Cash Equivalents	$ 1,260	$ 2,852	$ 3,023	$ 1,089
Receivables (Net)	174	34	208	-
Total Assets	$ 1,434	$ 2,886	$ 3,231	$ 1,089
LIABILITIES				
Accounts Payable	$ 3	$ 3	$ 3	$ 3
Due to Other Funds	127	99	128	98
Property Held in Trust	1,304	1,296	1,612	988
Total Liabilities	$ 1,434	$ 1,398	$ 1,743	$ 1,089

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

FUND	BALANCE July 1, 1992	Additions	Deductions	BALANCE June 30, 1993
INTERGOVERNMENTAL:				
ASSETS				
Cash/Cash Equivalents	$ 850	$ 43,485	$ 43,612	$ 723
Receivables (Net)	4	7	10	1
Due from Other Governments	472	65	473	64
Due from Other Funds	3	73	4	72
Total Assets	$ 1,329	$ 43,630	$ 44,099	$ 860
LIABILITIES				
Accounts Payable	$ 490	$ 267	$ 616	$ 141
Interfund Loans Payable	-	$ 22	$ -	$ 22
Due to Other Governments	423	134	183	374
Due to Other Funds	48	97	120	25
Property Held in Trust	368	329	399	298
Total Liabilities	$ 1,329	$ 849	$ 1,318	$ 860
A & E ADVANCES:				
ASSETS				
Cash/Cash Equivalents	$ 89	$ 856	$ 851	$ 94
Due from Other Funds	-	1	-	1
Total Assets	$ 89	$ 857	$ 851	$ 95
LIABILITIES				
Accounts Payable	$ 7	$ 63	$ 7	$ 63
Due to Other Funds	12	2	12	2
Property Held in Trust	70	856	896	30
Total Liabilities	$ 89	$ 921	$ 915	$ 95
UNCLEARED COLLECTIONS:				
ASSETS				
Cash/Cash Equivalents	$ 6,573	$ 59,986	$ 58,072	$ 8,487
Receivables	-	644	644	-
Due from Other Funds	10	34	35	9
Total Assets	$ 6,583	$ 60,664	$ 58,751	$ 8,496
LIABILITIES				
Accounts Payable	$ -	$ 1	$ -	$ 1
Due to Other Funds	6,366	8,224	6,367	8,223
Property Held in Trust	213	616	571	258
Other Liabilities	4	57,191	57,181	14
Total Liabilities	$ 6,583	$ 66,032	$ 64,119	$ 8,496
BAD DEBTS:				
ASSETS				
Cash/Cash Equivalents	$ 198	$ 2,238	$ 2,212	$ 224
Due from Other Funds	-	3	1	2
Total Assets	198	$ 2,241	$ 2,213	$ 226
LIABILITIES				
Accounts Payable	$ -	$ 25	$ -	$ 25
Due to Other Funds	$ 82	$ 4	$ 82	$ 4
Property Held in Trust	116	1,872	1,791	197
Total Liabilities	$ 198	$ 1,901	$ 1,873	$ 226

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

FUND	BALANCE July 1, 1992	Additions	Deductions	BALANCE June 30, 1993
STOCK ESTRAY:				
ASSETS				
Cash/Cash Equivalents	$ 34	$ 119	$ 95	$ 58
Due from Other Funds	28	1	29	-
Total Assets	62	$ 120	$ 124	$ 58
LIABILITIES				
Accounts Payable	$ 2	$ 2	$ 2	$ 2
Due to Other Funds	1	1	2	-
Property Held in Trust	59	90	93	56
Total Liabilities	$ 62	$ 93	$ 97	$ 58
BONDHOLDERS PAYMENT:				
ASSETS				
Cash/Cash Equivalents	$ 19	$ -	$ -	$ 19
LIABILITIES				
Property Held in Trust	$ 19	$ -	$ -	$ 19
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash/Cash Equivalents	$ 400,354	$ 29,656,172	$ 29,412,370	$ 644,156
Receivables (Net)	4,259	57,162	47,147	14,274
Interfund Loan Receivable	370	725	875	220
Due from Other Governments	472	65	473	64
Due from Other Funds	17,634	20,952	18,264	20,322
Equity in Pooled Investments	110,546	905,245	958,186	57,605
Investments	79,672	10,171	2	89,841
Other Assets	43,619	5,339	3,519	45,439
TOTAL ASSETS	$ 656,926	$ 30,655,831	$ 30,440,836	$ 871,921
LIABILITIES				
Accounts Payable	$ 4,949	$ 71,576	$ 5,146	71,379
Interfund Loans Payable	-	22	-	22
Due to Other Governments	261,058	537,012	527,288	270,782
Due to Other Funds	12,093	12,686	13,053	11,726
Property Held in Trust	376,192	9,661,555	9,522,457	515,290
Other Liabilities	2,634	91,226	91,138	2,722
TOTAL LIABILITIES	$ 656,926	$ 10,374,077	$ 10,159,082	$ 871,921

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use in operations which are accounted for in governmental funds. These include all fixed assets except those of the Enterprise, Internal Service, Expendable Trust, Nonexpendable Trust, Pension Trust and Higher Education Funds.

STATE OF MONTANA
Schedule of General Fixed Assets by Source
June 30, 1993
(Expressed in Thousands)

General Fixed Assets:	
Land	$ 56,057
Buildings/Other Improvements	233,422
Equipment	91,438
Other Fixed Assets	43,824
Construction in Progress	5,951
Total General Fixed Assets	$ 430,692
Investments in General Fixed Assets From:	
General Fund Fixed Assets	$ 216,194
State Special Revenue Fund Fixed Assets	108,324
Federal Special Revenue Fund Fixed Assets	34,201
Capital Projects Fund Fixed Assets	16,260
Expendable Trust Fund Fixed Assets	133
Donated Fixed Assets	55,580
Total Investments in General Fixed Assets	$ 430,692

STATE OF MONTANA
Schedule of General Fixed Assets by Function and Activity
June 30, 1993
(Expressed in Thousands)

Function and Activity	Land	Buildings and Improvements	Equipment	Other Fixed Assets	Total
General Government					
Legislative	$ -	$ -	$ 1,742	$ -	$ 1,742
Executive	2,694	38,687	5,628	112	47,121
Judicial	-	-	688	251	939
Total General Government	2,694	38,687	8,058	363	49,802
Public Safety/Corrections					
Law Enforcement	330	16,173	10,280	2	26,785
Corrections	2,054	32,310	4,050	6	38,420
Professional/Business Regulation	-	-	946	14	960
Safety	-	-	555	51	606
Total Public Safety/Corrections	2,384	48,483	15,831	73	66,771
Transportation	4,993	30,851	14,713	-	50,557
Health/Social Services					
Health/Environment	-	300	4,477	-	4,777
Social Serv/Welfare/Mentl Hlth	140	34,468	15,831	1	50,440
Veterans Affairs	-	187	78	-	265
Total Health/Social Services	140	34,955	20,386	1	55,482
Educational/Cultural					
Educational	1,981	8,234	5,087	1,460	16,762
Cultural	186	379	355	41,917	42,837
Total Educational/Cultural	2,167	8,613	5,442	43,377	59,599
Resource Development/Recreation					
Resource Development	1,969	47,416	10,771	-	60,156
Recreation	41,389	20,851	7,168	9	69,417
Agricultural	-	-	1,334	-	1,334
Total Resource Development/Recreation	43,358	68,267	19,273	9	130,907
Economic Development/Assistance	321	3,566	7,735	1	11,623
Construction in Progress	-	-	-	-	5,951
Total General Fixed Assets	$ 56,057	$ 233,422	$ 91,438	$ 43,824	$ 430,692

STATE OF MONTANA
Schedule of Changes in General Fixed Assets by Function and Activity
For the Fiscal Year Ended June 30, 1993
(Expressed in Thousands)

Function and Activity	General Fixed Assets July 1, 1992	Additions	Deletions	General Fixed Assets June 30, 1993
General Government				
Legislative	$ 1,658	$ 215	$ 131	$ 1,742
Executive	46,837	457	173	47,121
Judicial	877	62	-	939
Total General Government	49,372	734	304	49,802
Public Safety/Corrections				
Law Enforcement	24,976	2,915	1,106	26,785
Corrections	38,313	124	17	38,420
Professional/Business Regulation	943	31	14	960
Safety	659	87	140	606
Total Public Safety/Corrections	64,891	3,157	1,277	66,771
Transportation	47,913	3,327	683	50,557
Health/Social Services				
Health/Environment	4,579	444	246	4,777
Social Services/Welfare/Mentl Hlth	45,728	5,575	863	50,440
Veterans Affairs	3,363	65	3,163	265
Total Health/Social Services	53,670	6,084	4,272	55,482
Educational/Cultural				
Educational	16,536	635	409	16,762
Cultural	42,826	11	-	42,837
Total Educational/Cultural	59,362	646	409	59,599
Resource Development/Recreation				
Resource Development	59,338	1,069	251	60,156
Recreation	65,574	4,859	1,016	69,417
Agricultural	1,150	204	20	1,334
Total Resource Development/Recreation	126,062	6,132	1,287	130,907
Economic Development/Assistance	12,241	600	1,218	11,623
Construction in Progress	5,253	1,031	333	5,951
Total General Fixed Assets	$ 418,764	$ 21,711	$ 9,783	$ 430,692

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HIGHER EDUCATION FUNDS

The Higher Education Funds are used to account for all transactions relating to the State's public institutions of higher education, including six university units and five vocational-technical centers. A brief description of each Higher Education Fund follows.

Current Funds

Unrestricted

General Operating - This fund includes the portion of financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the Legislature.

Designated - This fund includes financial resources associated with general operations which are separately classified in order to accumulate costs that are to be recharged to other funds. It also identifies educational departments' special activities that are fully supported by supplemental assessments and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

Auxiliary - This fund includes those financial resources devoted to providing essential on-campus services primarily to students, faculty or staff where a fee relating to the service is charged.

Restricted - This fund includes the portion of financial resources that can be expended for general operations but only for purposes imposed by sources external to the Board of Regents and the Legislature.

Fiduciary Funds

Student Loans - This fund accounts for moneys which may be loaned to students, faculty or staff for purposes related to education, organized research or public services by the higher education system.

Endowment - This fund accounts for moneys where the principal is available for investment. Investment earnings are to be transferred to appropriate operating funds pursuant to prevailing administrative requirements.

Agency - This fund accounts for moneys where the State acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff or qualified organizations.

Plant Funds

Unexpended - This fund accounts for unexpended resources derived from various sources to finance the acquisition of plant assets and the associated liabilities.

Renewal and Replacement - This fund's resources provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements.

Retirement of Indebtedness - This fund accumulates resources for interest and principal payments and other debt service charges, including contributions to reserves, relating to plant fund indebtedness.

Investment in Plant - This fund includes all long-lived assets in the service of the higher education unit as well as all associated liabilities.

STATE OF MONTANA
Combining Balance Sheet
All Higher Education Funds
June 30, 1993
(Expressed in Thousands)

	CURRENT FUNDS			
	UNRESTRICTED			
	GENERAL OPERATING	DESIGNATED	AUXILIARY	RESTRICTED
ASSETS:				
Cash/Cash Equivalents	$ 13,398	$ 14,336	$ 9,301	$ 3,028
Receivables (Net)	3,478	508	600	6,626
Interfund Loans Receivable	1,200	-	-	-
Due from Other Governments	3	1	-	2,305
Due from Other Funds	1,811	2,518	422	1,426
Inventories	89	1,587	2,245	-
Equity in Pooled Investments	-	-	-	-
Long-Term Notes/Loans Receivable	-	-	-	-
Investments	-	-	-	-
Land	-	-	-	-
Buildings/Improvements	-	-	-	-
Equipment	-	-	-	-
Other Fixed Assets	-	-	-	-
Construction in Progress	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	2,164	460	54	96
TOTAL ASSETS	$ 22,143	$ 19,410	$ 12,622	$ 13,481
LIABILITIES/FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 10,536	$ 3,416	$ 1,746	$ 3,588
Interfund Loans Payable	-	-	-	1,200
Due to Other Governments	52	33	-	1
Due to Other Funds	3,507	1,110	759	1,944
Deferred Revenue	3,261	789	559	3,491
Installment Purchase/Lease Payable	-	-	-	-
Bonds/Notes Payable	-	-	-	-
Property Held in Trust	163	2	357	2
Compensated Absences Payable	17,449	2,524	1,317	-
Other Liabilities	4	-	-	-
Total Liabilities	34,972	7,874	4,738	10,226
Fund Balances:				
Net Investment in Plant	-	-	-	-
Reserved For:				
Encumbrances	1,364	22	5	40
Debt Service	-	-	-	-
Student Loans/Endowments	-	-	-	-
Unreserved	(14,193)	11,514	7,879	3,215
Total Fund Balances	(12,829)	11,536	7,884	3,255
TOTAL LIABILITIES/FUND BALANCES	$ 22,143	$ 19,410	$ 12,622	$ 13,481

FIDUCIARY FUNDS			PLANT FUNDS				TOTALS - JUNE 30	
STUDENT LOANS	ENDOWMENTS	AGENCY	UNEXPENDED	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	1993	1992
$ 2,279	$ 1,668	$ 2,043	$ 4,309	$ 5,819	$ 3,366	$ -	$ 59,547	$ 58,458
21,155	-	128	121	53	961	-	33,630	32,273
-	-	-	-	-	-	-	1,200	1,050
1	-	-	50	-	-	-	2,360	1,535
6	-	3,729	194	443	173	-	10,722	11,268
-	-	-	-	-	-	-	3,921	4,229
-	290	42	-	-	-	-	332	332
-	-	-	-	-	-	-	-	23
-	621	-	97	2,167	11,832	-	14,717	12,735
-	-	-	-	-	-	11,269	11,269	11,226
-	-	-	-	-	-	291,818	291,818	281,843
-	-	-	-	-	-	104,002	104,002	96,816
-	-	-	-	-	-	63,744	63,744	59,966
-	-	-	1,511	1,049	-	711	3,271	3,178
-	-	-	-	-	-	1,679	1,679	1,888
-	-	255	-	-	837	-	3,866	3,375
$ 23,441	$ 2,579	$ 6,197	$ 6,282	$ 9,531	$ 17,169	$ 473,223	$ 606,078	$ 580,195
$ -	$ -	$ 880	$ 466	$ 275	$ 1,744	$ -	$ 22,651	$ 22,622
-	-	-	-	-	-	-	1,200	1,050
-	-	7	-	-	-	-	93	148
64	-	2,266	95	181	105	-	10,031	10,936
-	-	-	52	64	37	-	8,253	7,305
-	-	-	-	-	-	3,444	3,444	3,780
-	-	-	141	31	-	72,229	72,401	77,141
-	-	3,044	-	-	-	-	3,568	3,191
-	-	-	-	-	-	-	21,290	19,066
-	-	-	-	-	-	-	4	-
64	-	6,197	754	551	1,886	75,673	142,935	145,239
-	-	-	-	-	-	397,550	397,550	373,038
-	-	-	52	16	-	-	1,499	1,349
-	-	-	-	-	15,283	-	15,283	17,366
23,377	2,579	-	-	-	-	-	25,956	25,001
-	-	-	5,476	8,964	-	-	22,855	18,202
23,377	2,579	-	5,528	8,980	15,283	397,550	463,143	434,956
$ 23,441	$ 2,579	$ 6,197	$ 6,282	$ 9,531	$ 17,169	$ 473,223	$ 606,078	$ 580,195

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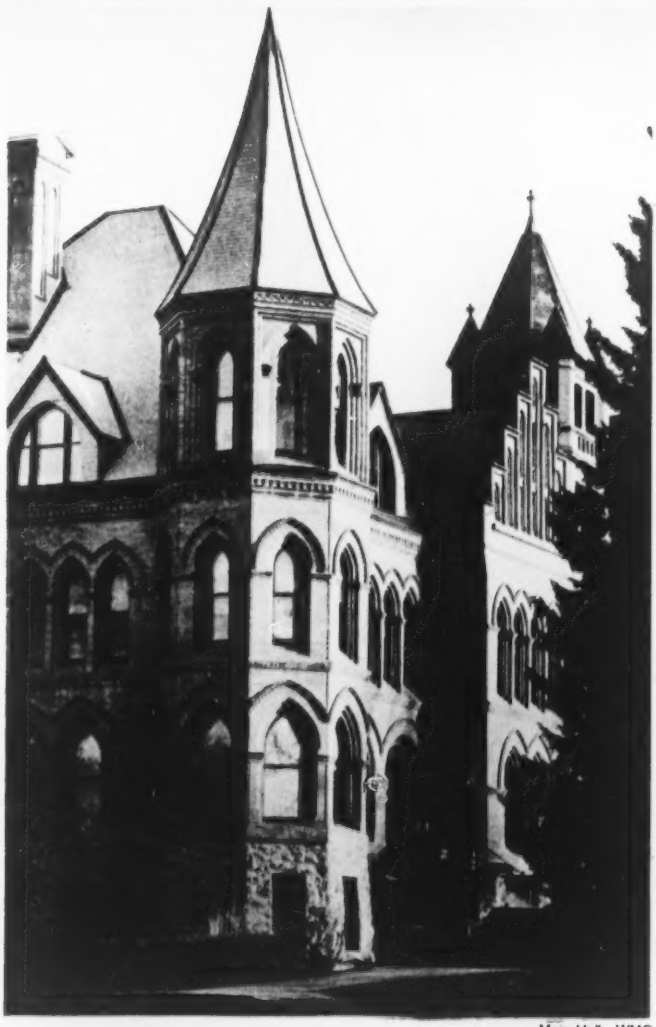
Montana



Main Hall - WMC

STATISTICAL AND ECONOMIC DATA

Financial presentations included in this section provide users with an historical perspective through detailed dats on economic and social characteristics, financial trends and fiscal capacity of the State.

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STATE OF MONTANA
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years
(Expressed in Thousands)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Licenses/Permits (2)	$ 51,156	$ 63,744	$ 77,537	$ 80,444	$ 62,574	$ 64,075	$ 55,229	$ 74,152	$ 82,744	$ 92,773
Taxes (1) (2)	474,850	519,175	599,112	578,509	715,724	725,748	776,368	864,057	850,916	1,003,849
Chrgs-Srvs./Fines/Forfts.	27,899	18,635	35,125	48,340	52,990	54,467	56,929	43,678	52,527	53,775
Investment Earnings	105,624	118,036	68,879	24,920	31,149	34,018	37,263	31,655	24,791	20,715
Reimbursements	11,826	15,681	-	-	-	-	-	-	-	-
Sale-Doc./Mdse./Prop.	2,298	16,245	15,220	5,749	3,382	2,920	5,548	17,146	18,091	17,055
Rentals/Leases/Royalties	1,350	1,389	888	796	383	449	363	528	397	451
Contributions/Premiums	271	341	280	451	410	663	3,199	4,113	3,355	3,466
Grants/Contrts./Donations	1,924	2,034	3,942	6,254	5,936	4,649	8,473	7,004	3,611	3,682
Federal	336,201	390,240	400,247	413,923	427,381	445,402	451,107	532,244	585,047	667,468
Federal IDC Recoveries	-	-	3,032	3,296	1,747	1,880	1,790	1,823	1,738	1,817
Other Revenues	2,902	2,372	6,967	6,193	5,052	5,147	2,078	2,367	2,792	4,503
Totals	$1,016,301	$1,147,892	$1,211,229	$1,168,875	$1,306,728	$1,339,418	$1,398,347	$1,578,767	$1,626,009	$1,869,554

NOTES: (1) Prior to 1986, the 45 mill levy supporting the School Foundation program was not included.
(2) 1988 - A change in reporting the State's insurance premium tax resulted in an increase in Taxes with a corresponding decrease in Licenses/Permits.

STATE OF MONTANA
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years
(Expressed in Thousands)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
General Government (1)	$ 50,420	$ 51,268	$ 56,461	$ 51,054	$ 46,308	$ 52,065	$ 54,402	$ 111,570	$ 117,114	$ 111,691
Public Safety/Corrections	50,646	56,191	57,382	58,140	66,366	72,616	80,804	87,121	100,864	105,870
Transportation	213,698	264,285	269,806	242,470	233,092	237,827	259,438	280,416	287,768	285,055
Health/Social Services	270,033	291,851	304,708	352,299	358,860	391,857	405,008	482,864	539,052	620,915
Education/Cultural (2)	213,977	222,631	318,640	313,616	328,669	337,251	335,865	441,392	445,180	487,657
Resource Dev./Recreation	45,698	51,675	52,385	48,468	57,630	77,171	55,100	63,426	71,791	70,847
Economic Dev./Assistance	76,198	84,866	87,887	87,737	71,197	76,057	76,363	86,272	79,998	86,504
Debt Service:										
Principal Retirement	61,311	7,586	55,491	116,393	9,176	9,841	12,268	13,244	34,344	22,115
Interest/Fiscal Chrgs.	12,944	16,829	21,957	22,859	21,751	21,922	21,186	21,111	23,042	24,332
Capital Outlay	30,159	39,096	41,118	30,815	30,669	28,130	33,576	24,256	25,935	23,455
Totals	$1,025,084	$1,086,278	$1,265,835	$1,323,851	$1,223,718	$1,304,737	$1,334,010	$1,611,672	$1,725,088	$1,844,441

NOTES: (1) Fiscal year 1991 includes the first year of distribution to local governments of oil and gas severence taxes and a significant increase in the reimbursement to local governments for loss of property tax revenue associated with the reduction of class 8 property tax rates.
(2) Prior to 1986, the 45 mill levy supporting the School Foundation program was not included.

STATE OF MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS (1)
Last Ten Fiscal Years
(Expressed in Thousands)

FISCAL YEAR	TOTAL TAX LEVY(a)	TOTAL TAX COLLECTIONS(b)	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY
1984	$ 14,987	$ 15,018	100.2 %
1985	16,025	17,014	106.2
1986	16,272	16,879	103.7
1987	15,656	15,665	100.0
1988	13,771	14,561	105.7
1989	11,641	13,423	115.3
1990	11,705	13,475	115.1
1991	68,418	69,490	101.6
1992	73,815	90,230	122.2
1993 (2)	172,568	221,426	128.3

NOTES: (1) Property taxes are levied in one fiscal year and collected in subsequent fiscal years (i.e., the fiscal year column relates to the column "Total Tax Collections" only). The increase in fiscal year 1991 is due to the school equalization aid levy of 40 mills established by the 1989 Legislature.

(2) The significant increase in fiscal year 1993 is because county equalization revenues are sent directly to the State as of July 1, 1992.

SOURCES: (a) Montana Department of Revenue Reports to the Legislature
(b) Montana Statewide Budgeting and Accounting System

STATE OF MONTANA
TAXABLE AND MARKET (ASSESSED) VALUE OF PROPERTY (1)
Last Ten Fiscal Years
(Expressed in Thousands)

	Real Property		Personal Property		Total		Ratio of Total Taxable to Total Market (Assessed) Value
Fiscal Year	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	
1984	$ 1,947,241	$ 12,598,756	$ 383,642	$ 4,133,338	$ 2,330,883	$ 16,732,094	13.9 %
1985	2,016,373	13,094,912	353,760	3,855,595	2,370,133	16,950,507	14.0
1986	1,981,731	24,060,549	324,557	3,630,367	2,306,288	27,690,916	8.3
1987	1,677,107	23,505,493	323,638	3,880,354	2,000,745	27,385,847	7.3
1988	1,642,100	22,509,982	300,850	3,697,063	1,942,950	26,207,045	7.4
1989	1,598,881	23,120,074	308,523	3,799,252	1,907,404	26,919,326	7.1
1990	1,274,023	22,082,879	272,948	3,988,239	1,546,971	26,919,326	5.7
1991	1,303,834	23,534,838	291,388	4,248,460	1,595,222	27,783,298	5.7
1992	1,336,544	24,156,048	296,079	4,265,243	1,632,623	28,421,291	5.7
1993	1,430,246	26,492,508	301,701	4,401,371	1,731,947	30,893,879	5.6

NOTE: (1) - Taxable property in Montana must be assessed at 100% of its market value except mining property and agricultural lands. Mining property is assessed based on net and gross proceeds from mineral production. The assessment on agricultural land is based on productive capacity.

- Taxable value is that against which the mill levy is applied. These values are arrived at by the appropriate ratios found in Montana's Classification Act to the assessed values (e.g., the taxable value of residential property is 3.86% of its assessed value).

- The increase in Fiscal Year 1986 was primarily due to a reappraisal from 1978 values to 1982 values.

SOURCE: Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Per $100 of Taxable Value)
Last Ten Fiscal Years

Fiscal Year	State of Montana Special Revenue Funds	Schools	Counties	Cities	Miscellaneous	Total
1983	.67	12.90	4.96	2.71	1.37	22.61
1984	.69	14.12	4.86	2.78	1.32	23.77
1985	.69	13.98	5.18	2.95	1.33	24.13
1986	.68	14.88	5.42	3.18	1.47	25.63
1987	.69	15.86	5.94	3.65	1.46	27.60
1988	.60	15.39	5.62	3.75	1.75	27.11
1989	.61	16.59	6.45	3.72	2.01	29.38
1990	4.35(1)	16.19	6.93	4.66	2.33	34.46
1991(2)	10.55	11.54	6.51	4.60	2.32	35.52
1992	10.58	11.87	6.70	4.60	2.32	36.07

SOURCE: Department of Revenue Reports to the Legislature

Notes: (1) The significant increase in 1990 is due to the school equalization aid levy of 40 mills established by the 1989 Legislature.

(2) The significant increase in 1991 is due to the change of the school equalization aid levy to 95 mills and State assumption of welfare established by the 1991 Legislature.

STATE OF MONTANA
PROPERTY TAX MILL LEVY FOR STATE PURPOSES
Last Ten Years

This portion of the property tax levy was developed to provide a nondiscriminatory method of financing public education in Montana. The State has statutory authority to levy up to six mills for the support of the State's higher education system. The General Fund is responsible for making up any deficiencies in the equalization system. In addition, the Legislature is directed by law to levy at each legislative session a tax of up to two mills on all taxable property in the State to provide for any deficiencies in the General Fund.

Levy Year	Higher Education System	Vo-Tech Centers	Primary & Secondary Schools	Total Mill Levy
1984	6.00	-	45.00	51.00
1985	6.00	-	45.00	51.00
1986	6.00	-	45.00	51.00
1987	6.00	1.50	45.00	52.50
1988	6.00	1.50	45.00	52.50
1989	6.00	1.50	45.00	52.50
1990	6.00	1.50	95.00	102.50
1991	6.00	1.50	95.00	102.50
1992	6.00	1.50	95.00	102.50
1993	6.00	1.50	95.00	102.50

Each mill represents one dollar of tax levied on each thousand dollars worth of taxable property. The amount of property taxes needed for the year (net levy) is divided by the percentage determined collectible. This gross levy is then divided by the assessed valuation to arrive at the mill levy. The increase in the mill levy for 1990 was due to the 10 mill increase for primary and secondary schools and the state equalization aid levy of 40 mills established by the 1989 Legislature.

SOURCE: Montana Department of Revenue - Research and Information Division

STATE OF MONTANA
RATIO OF DIRECT STATE DEBT TO
ASSESSED VALUE AND DIRECT
STATE DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	(Expressed in Thousands) Population(a)	Assessed Value(1)(b)	Direct State Debt(2)	Direct State Debt Per Assessed Value (%)	Capita
1984	824	$ 16,732,094	$ 107,541	.64	$ 130.51
1985	825	16,950,507	100,835	.59	122.22
1986	819	27,690,916	106,814	.39	130.42
1987	809	27,385,847	99,402	.36	122.87
1988	805	26,207,045	91,542	.35	113.72
1989	806	26,919,326	83,390	.31	103.46
1990	799	26,071,118	78,110	.30	97.76
1991	808	27,783,297	70,050	.25	86.70
1992	824	28,421,291	60,140	.21	72.99
1993	N/A	30,893,879	43,945	.14	53.33 *

N/A - Data not available.

* Calculated using 1992 population data.

NOTES: (1) The 1986 increase was primarily due to a reappraisal from 1978 values to 1982 values. Beginning in 1988 the assessed value does not include exempt property.
(2) Includes only General Obligation Bonds.

SOURCES: (a) Montana Department of Commerce, Census and Economic Information Center
(b) Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA
RATIO OF ANNUAL DEBT SERVICE TO
TOTAL GENERAL EXPENDITURES
Last Ten Fiscal Years
($ Expressed in Thousands)

Fiscal Year	Total Debt Service	Total General Expenditures	Ratio (%)
1984	$ 74,255	$ 1,025,084	7.24
1985	24,415	1,086,278	2.25
1986	77,448	1,265,835	6.12
1987 (1)	139,252	1,323,851	10.52
1988	30,927	1,223,718	2.53
1989	31,763	1,304,737	2.43
1990	33,454	1,334,010	2.51
1991	34,355	1,611,671	2.13
1992	57,387	1,725,088	3.33
1993	46,447	1,844,441	2.52

SOURCE: Montana Financial Reports 1984-1993

NOTE: (1) The Department of Transportation retired $107.7 million of 1983 series bonds and 1985 BANS.

STATE OF MONTANA
REVENUE BOND COVERAGE
HIGHER EDUCATION
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Gross Revenues	Operating Expenses	Net revenue available for debt service (2)	Debt Service Requirements	
				Total	Coverage (1)
1983	$ 26,034	$ 18,991	$ 7,767	$ 8,434	0.92
1984	24,996	18,091	6,905	8,192	0.84
1985	43,918	29,482	14,436	7,389	1.95
1986	44,595	27,454	17,141	13,171	1.30
1987	34,803	25,635	9,168	6,300	1.46
1988	35,329	24,518	10,811	6,264	1.73
1989	37,611	27,900	9,711	7,060	1.38
1990	42,010	30,314	11,696	7,829	1.49
1991	45,314	33,707	11,607	7,240	1.60
1992	48,732	35,012	13,720	7,712	1.78

NOTES: (1) Information to calculate the coverage for Montana College of Mineral Science and Technology was not available until 1985 since no yearly audit was required for its revenue bonds exclusive of the college as a whole.

(2) During 1981 through 1984 net revenues were defined by the bond resolution for the University of Montana's Building Fees Resolution. No gross revenue or operating expenses figures were available for this resolution; therefore, the difference between gross and operating revenues does not equal the net revenue available for debt service each year reported above. This difference is equal to the amount of net revenues defined by the Building Fees Resolution. Total debt service requirements and coverage are not affected.

SOURCE: Annual audit reports for each entity.

STATE OF MONTANA
REVENUE BOND COVERAGE
MONTANA BOARD OF HOUSING
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Gross Revenues	Operating Expenses	Net revenue available for debt service	Debt Service Requirements	
				Total	Coverage
1984	$ 41,952	$ 2,061	$ 39,891	$ 33,087	1.21
1985	52,667	2,609	50,058	43,055	1.16
1986	62,155	2,748	59,407	54,288	1.09
1987	58,576	2,851	55,725	52,580	1.06
1988	58,408	2,488	55,920	48,345	1.16
1989	56,834	1,644	55,190	49,777	1.11
1990	57,002	3,025	53,977	49,002	1.10
1991	58,050	2,613	55,437	50,314	1.10
1992	56,653	2,699	53,954	50,703	1.06
1993	50,604	2,631	47,973	47,113	1.02

SOURCE: Montana Statewide Budgeting and Accounting System.

STATE OF MONTANA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (1)
Last Ten Fiscal Years
(Expressed in thousands, except for number of permits)

	Construction (a)				
	Residential		Commercial		
Calendar Year	Number of permits issued	Valuation*	Number of permits issued	Cost of construction	Bank Deposits (b)
1983	3,057	$ 131,167	269	$ 30,636	$ 6,859,295
1984	2,837	129,019	251	38,537	7,353,755
1985	2,034	86,925	295	33,018	7,615,431
1986	1,153	57,348	321	24,383	7,825,147
1987	792	47,607	292	24,667	7,938,709
1988	777	52,557	247	14,692	7,993,685
1989	698	53,411	317	28,301	7,701,270
1990	791	87,142	286	59,556	7,959,440
1991	1,126	114,193	330	73,450	8,392,081
1992	1,825	169,267	361	96,598	7,419,064

	Property (Assessed) Values (c)					
Fiscal Year	Agriculture	Commercial/ Industrial	Personal/ Real	Utilities	Other**	Total(2)
1984	$ 1,260,872	$ 2,188,062	$ 8,683,164	$ 3,529,623	$ 1,070,373	$ 16,732,094
1985	1,264,861	2,412,051	8,752,473	3,395,396	1,125,726	16,950,507
1986	2,324,395	5,420,997	15,037,897	3,901,322	1,006,305	27,690,916
1987	2,375,066	5,172,038	14,813,180	4,337,965	687,598	27,385,847
1988	2,435,526	5,178,163	13,863,293	3,910,515	819,548	26,207,045
1989	2,458,942	5,176,030	14,086,791	4,280,347	917,216	26,919,326
1990	2,498,949	4,863,281	14,644,470	3,696,089	368,329	26,071,118
1991	2,549,181	4,913,732	15,557,151	4,347,227	416,006	27,783,297
1992	2,591,978	4,995,511	15,975,557	4,488,297	369,947	28,421,291
1993	2,574,254	5,647,162	17,683,533	4,631,563	357,367	30,893,879

* 1984: Information on publicly owned (contract awards) housing units was not available.
**Other property includes mining, coal and miscellaneous.

NOTE: (1) - Nontaxable property value information is not available.
- Construction data is reported on a calendar year basis.
- Bank deposits are the aggregate of State Banks and Trust Companies, National Banks, Savings and Loans and Credit Unions.
(2) - The increase in Fiscal Year 1986 was primarily due to a reappraisal from 1978 values to 1982 values.

SOURCES: (a) - Montana Department of Commerce - Census & Economic Information Center
(b) - Montana Department of Commerce - State Banks and Trust Companies, National Banks and Credit Unions.
- Federal Home Loan Bank of Seattle - Savings and Loans
(c) - Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA
INCOME DATA
Last Ten Calendar Years

Total Personal Income
(Millions)

Year	Montana Amount	Montana % Increase	Rocky Mountain Region(1) Amount	Rocky Mountain Region(1) % Increase	United States Amount	United States % Increase
1983	$ 8,504		$ 80,924		$ 2,834,385	
1984	8,922	4.9	86,932	7.4	3,101,163	9.4
1985	9,092	1.9	91,522	5.3	3,317,545	7.0
1986	9,588	5.5	95,051	3.9	3,519,364	6.1
1987	9,979	4.1	99,057	4.2	3,766,092	7.0
1988	10,382	4.0	104,486	5.5	4,053,282	7.6
1989	11,392	9.7	112,678	7.8	4,367,401	7.7
1990	11,709	2.8	120,625	7.1	4,649,706	6.5
1991	12,660	8.1	129,643	7.5	4,833,548	4.0
1992 (2)	13,399	5.8	139,558	7.6	5,130,617	6.1
Average Annual Rate of Growth		5.2 %		6.26 %		6.82

Per Capita Income

Year	Montana Amount	Montana % Increase	Rocky Mountain Region(1) Amount	Rocky Mountain Region(1) % Increase	United States Amount	United States % Increase
1983	$ 10,424		$ 11,457		$ 12,100	
1984	10,836	4.0	12,162	6.2	13,116	8.4
1985	11,021	1.7	12,673	4.2	13,896	5.9
1986	11,726	6.4	13,098	3.4	14,597	5.0
1987	12,330	5.2	13,621	4.0	15,471	6.0
1988	12,896	4.6	14,355	5.4	16,491	6.6
1989	14,142	9.7	15,397	7.3	17,594	6.7
1990	14,649	3.6	16,536	7.4	18,639	5.9
1991	15,648	6.8	17,388	5.2	19,169	2.8
1992 (2)	16,264	3.9	18,266	5.0	20,114	4.9
Average Annual Rate of Growth		5.1 %		5.34 %		5.8

NOTE: (1) The Rocky Mountain Region includes Montana, Colorado, Idaho, Utah and Wyoming.

(2) The 1992 data is preliminary.

SOURCE: Montana Department of Commerce
Census & Economic Information Center

STATE OF MONTANA
PUBLIC EDUCATION INSTITUTIONS
ENROLLMENT (1)
Last Ten Fiscal Years

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
TOTAL GRADES PRE-K-12(a)	153,646	154,412	154,072	153,327	152,207	152,191	151,149	152,898	155,263	159,991
MONTANA UNIVERSITY SYSTEM(b)										
University of Montana	8,431	8,265	8,186	8,017	7,552	7,977	8,587	8,852	9,482	9,602
Montana State University	10,789	10,353	10,104	9,671	9,287	9,371	9,543	9,501	9,491	9,946
Montana Tech	2,090	1,880	1,659	1,573	1,582	1,546	1,499	1,612	1,694	1,728
Western Montana College	882	880	854	928	828	954	877	915	974	969
Eastern Montana College	3,538	3,468	3,480	3,324	3,303	3,287	3,354	3,408	3,139	3,240
Northern Montana College	1,745	1,707	1,693	1,710	1,551	1,548	1,581	1,765	1,907	1,603
TOTAL UNIVERSITIES	27,475	26,553	25,976	25,223	24,103	24,683	25,441	26,053	26,687	27,088
VOCATIONAL TECHNICAL CENTERS(b)										
Billings Vo-Tech Center	400	448	489	446	398	356	334	280	291	453
Butte Vo-Tech Center	294	395	414	390	395	354	280	248	251	313
Great Falls Vo-Tech Center	423	428	391	416	473	525	503	479	466	556
Helena Vo-Tech Center	700	665	647	570	577	506	436	418	434	440
Missoula Vo-Tech Center	471	588	578	507	487	482	446	454	435	551
TOTAL VOCATIONAL TECHNICAL CENTERS	2,288	2,524	2,519	2,329	2,330	2,223	1,999	1,879	1,877	2,313

NOTE: (1) The University System is based on fiscal year full-time equivalent enrollment.
The Vocational Technical Centers' enrollment is based on total contact hours.

SOURCES: (a) Montana Office of Public Instruction
(b) Montana Commissioner of Higher Education

STATE OF MONTANA
DEMOGRAPHIC STATISTICS
Last Ten Years

Fiscal Year	Population (1)(a)	Per Capita Income (1)(a)	Public School Enrollment Pre-K-12 (2)(b)	Montana University System Enrollment (2)(b)	Average Montana Unemployment Rate (c)	Average U.S. Unemployment Rate (c)	Average Civilian Labor Force (c)	Average Total Employment(c)	Average Unemployment(c)
1984	824,000	$ 10,836	153,646	27,475	7.4 %	7.5 %	406,000	376,000	30,000
1985	825,000	11,021	154,412	26,553	7.7	7.5	409,800	378,200	31,600
1986	819,000	11,726	154,072	25,976	8.5	7.3	402,600	368,500	34,100
1987	809,000	12,330	153,327	25,223	8.0	6.7	404,500	372,300	32,200
1988	805,000	12,896	152,207	24,103	8.1	5.8	404,420	371,620	32,800
1989	806,000	14,142	152,191	24,683	6.7	5.4	399,650	372,970	26,680
1990	799,000	14,649	151,149	25,441	5.5	5.3	408,025	385,608	22,430
1991	808,000	15,675	152,898	26,053	6.6	6.2	401,625	375,333	26,292
1992	824,000	16,264	155,263	26,687	6.7	7.4	408,125	379,292	28,833
1993	N/A	N/A	159,991	27,088	6.5	7.2	417,000	393,200	24,700

N/A - Data not available

NOTES: (1) Based on calendar year.
(2) Based on academic year - includes public schools (pre-K-12) and State-owned universities and colleges.

SOURCES: (a) U.S. Department of Commerce - Bureau of Economic Analysis
(b) - Montana Office of Public Instruction - public schools
- Montana Commissioner of Higher Ecucation - universities and colleges
(c) Montana Department of Labor and Industry - Research Bureau

STATE OF MONTANA
EMPLOYMENT IN MONTANA INDUSTRIES (1)
(Thousands of Persons)
Last Ten Years

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Durable Goods	13.0	13.8	13.5	12.7	12.7	12.9	13.7	14.0	13.3	14.1
Non-Durable Goods	9.1	8.7	8.2	8.5	8.2	8.1	8.3	8.4	8.4	8.5
Mining	7.4	7.7	6.8	5.9	5.7	5.7	6.3	6.3	6.0	5.8
Contract Construction	13.3	12.5	11.3	10.3	8.8	8.6	9.7	10.4	11.2	13.4
Transportation	11.2	11.8	12.0	11.8	11.4	11.4	12.3	12.4	12.5	12.5
Communications/Utilities	9.2	9.0	8.6	8.6	8.1	8.2	7.7	7.7	7.8	7.6
Wholesale Trade	17.1	17.4	16.8	15.3	15.0	14.8	15.6	15.8	16.0	16.5
Retail Trade	56.5	58.5	58.8	57.2	57.6	57.9	62.0	62.6	65.1	68.8
Finance/Insurance/Real Estate	13.0	13.4	13.3	13.0	13.2	13.3	13.2	13.3	13.8	14.3
Medical/Health Services	20.9	21.0	21.3	21.9	23.1	23.1	24.7	26.0	26.4	27.7
Other Services	36.9	38.6	38.8	30.3	31.3	32.0	46.9	49.6	50.6	54.0
Federal Government	13.0	12.8	12.4	12.8	12.7	13.2	13.6	13.9	13.0	13.3
State Colleges/Universities	8.3	8.4	8.5	8.8	8.6	8.6	9.8	9.9	10.2	10.6
Other State Government	10.3	10.5	10.8	10.7	10.4	10.3	10.8	11.0	11.3	11.3
Local Education	21.8	21.8	22.0	22.9	22.8	22.8	22.7	22.7	23.2	24.4
Other Local Government	15.0	15.2	15.3	15.2	14.8	15.0	13.2	13.4	13.4	14.4
Total Non-Farm Wage/ Salary Jobs(2)	276.0	281.1	278.4	265.9	264.4	265.9	290.5	297.4	302.2	317.2

SOURCES: (1) Montana Department of Labor and Industry - Research and Analysis Bureau
(2) Establishment Data - a count of jobs by where people work

STATE OF MONTANA
MAJOR PRIVATE EMPLOYERS IN MONTANA*
(Listed in descending number of employees)

1. Montana Power Co. (utilities, energy)
2. St. Vincent Hospital & Health Center (health care)
3. Montana Deaconess Medical Center (health care)
4. Deaconess Medical Center (health care)
5. Buttrey Food & Drug (retail food & drug)
6. St. Patrick Hospital (health care)
7. Community Medical Center (health care)
8. Columbus Hospital (health care)
9. Plum Creek Timber Co. (wood products)
10. Burlington Northern Railroad (transportation)

SOURCE: Montana Department of Commerce - Census & Economic Information Center

* The two largest Montana employers are public: Montana State Government and the U.S. Government

STATE OF MONTANA
(The Treasure State)
"Big Sky Country"
MISCELLANEOUS STATISTICS
June 30, 1993

(1) Date of statehood	November 8, 1889 - 41st state
(2) Form of government	Legislative-Executive-Judicial
(1) Land area - 4th largest state	145,392 square miles
Population density (Based on 1992 estimate)	5.6 persons per square mile
(3) Miles of paved public roads	16,900
(4) Higher Education	
State-owned Universities and Colleges	6
Vocational-Technical Centers	5
(5) Recreation:	
Number of State parks	42
Number of Managed Sites	12
National parks (Glacier and Yellowstone)	2
(6) State employees (full-time equivalent)	15,131

SOURCES: (1) Official Montana 1992-93 Highway Map
(2) Montana Code Annotated
(3) Montana Department of Transportation
(4) Montana Commissioner of Higher Education
(5) Montana Department of Fish, Wildlife & Parks
(6) State of Montana Office of Budget and Program Planning

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